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East Europe Report

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PRESS BRIEFED ON SOCIOECONOMIC PLANS DURING PZPR CONGRESS

Warsaw RZECZPOSPOLITA in Polish 2 Jul 86 p 2

[PAP article: "Socioeconomic Directions for the Development of Poland"]

[Text] The basic directions for the country's socioeconomic development and the party's agricultural and social policies were the subject of a regular conference on 1 July at the Press Center of the 10th PZPR Congress. Marian Wozniak and Zbigniew Michalek, and also PZPR Central Committee department heads Stanislaw Gabrielski, Marek Holdakowski and Stefan Zawodzinski, and Minister Stanislaw Gebala, met with Polish and foreign journalists.

Marian Wozniak particularly stressed the close link between economic problems and personnel policy. The economic reform is half the operation of economic and financial mechanisms, and half a matter of people's motivation and behavior. Bringing about transformations in the latter sphere is a task for the party. The speaker pointed out the deeprooted parochialism of industries and plants, which must be surmounted in order for innovative attitudes to prevail. The psychological barrier in this respect has not yet been broken, although examples of this are already becoming more and more frequent.

The Central Committee secretary also called attention to the urgent need for improving organization and management. He also referred to the problem of the fair distribution of goods. He stated that Polish society is dominated by a deeply entrenched feeling of egalitarianism, while the slogan "pay according to work" is not popular, since it sometimes leads to considerable material differentiation. On the basis of this a question arises--what should socialism be for man? A form of answer to this is the entire concept of the verification of organizational structures and employment. Wojciech Jaruzelski has presented an initiative for the creation of a special party-state commission for solving these problems.

Speaking about the emphasis contained in the Central Committee's report at the 10th Congress on accelerating development processes and on the role of scientific-technical progress in these processes, M. Wozniak reported on the concept of creating small state or cooperative enterprises of an innovative nature. He also emphasized that the country's political leadership is determining to work toward changing the past economic structures, in the direction of intensive management.

Next, Zbigniew Michalek presented the fundamental directions of the party's policy toward agriculture. In recent years, Z. Michalek stated, we have had good economic results in agriculture. We have also settled an important political issue--noting the permanence of private peasant farms in the Constitution.

During the period between the congresses, the Central Committee secretary stated, we did not carry out certain decisions made by the 9th Congress. Above all, this has to do with providing agriculture with industrial means of production, mainly chemical and technical ones.

Among other things, the journalists' questions dealt with price trends in the context of the struggle with inflation. M. Wozniak pointed out in his answer that seeing exclusively price increases as a possibility for reducing inflation is too much of a simplification. An increase in the productivity of labor and a growth in production are essential; otherwise the result will be a decline in the standard of living.

A question from a representative of the French LE FIGARO had to do with the development of Polish exports and the state of capital assets. M. Wozniak stated that an increase of 3.5 percent in exports, calculated in fixed prices, was quite a lot; what is more important is that this is a realistic indicator and constitutes a good point of departure for further acceleration.

Referring to the question of capital assets, M. Wozniak stated that he was less bothered by the often considerable wearing out of machines than by the fact that the working ones often stood idle because of a lack of workers for the second shift. One of the recommendations is the concept of using the labor force in southern Polish villages. This has to do with the construction of small branches of the large industrial plants; for example, such a branch of the Warsaw Roza Luksemburg plant has already appeared, and employs about 100 workers. If such small plants came into existence in only 40 percent of the districts, this would mean 120,000 people employed.

Answering another question, M. Wozniak strongly emphasized the role of the director-manager in managing the enterprise.

A DPA journalist asked how strong the egalitarian forces were in Poland, and whether the emphasis on this issue was not being exaggerated. M. Wozniak said that the egalitarian tendencies were stronger than had been indicated in speech and writing. Studies that have been conducted indicate this. In Poland, a feeling of certainty and social safety is treated as a material value.

This statement was added to by Minister Gebala, who stated that the "leveling" tendencies were occurring everywhere in the world and that there was no reason to make a problem out of this.

Finally, Z. Michalek was asked what he thought about the possibility of finally creating an agricultural foundation. "I think," he stated, "that the chances are very good for such a foundation to appear. The condition, however, is that both sides--the government and the church--have to establish

priorities." The Central Committee secretary emphasized that there had never been any deliberation about who would benefit from the foundation's money; since the beginning, this had always been a question of funds for the development of private agriculture.

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GOVERNMENT ORDERS STUDIES FOR EFFECTS ON ENTERPRISES, ECONOMY

Warsaw GOSPODARKA PLANOWA in Polish No 3, Mar 86 pp 109-114

[Article by Bronislaw Byrski: "Government Orders for Materials and Products As Reflected in Study Results"]

[Text] The system of government orders was introduced in Poland in 1983 for materials and products (1) and for implementation of particularly important tasks in the development of science and engineering (2), and in 1984 for implementation of selected investments (3).

The primary purpose of these orders (Council of Ministers Resolution No 280, 1982) was "to ensure correct implementation of important economic tasks, and also to obtain improvement in the availability of particularly scarce materials and products." Then this purpose was augmented, adding the implementation of indispensable structural transformations in production, and replacing "to ensure correct implementation of important economic tasks" with "to satisfy basic social needs" (4).

The scope of government orders for materials and products during 1983-1986 is shown in the following table.

Types of Assortment Groups	Number of Assortment Groups			
	1983	1984	1985	1986
Raw and other materials	8	22	28	21
Coproduction elements and spare parts	16	29	19	24
Products -- means of labor	--	*	30	40
Market products	6	*	29	25
Total	30	111	105	110

* Means of labor products and market products total 60 combined.

The contractor for government orders should be selected basically through unrestricted bidding, arranged by the parent agency of the ordering organization. The producers competing for the government orders submit offers to the bidding committee. Quality and efficiency criteria are to be applied in the selection of offers. Quality criteria include: compliance of product with quality and engineering standards, share of products marked "Q" and "1" in total production, and share of scrap and claims in the production of a given product. Efficiency criteria are: the price of the product, the full unitary cost of the product, consumption of raw materials, other materials and energy per unit of product, and import-intensiveness. The parent agencies of the ordering organizations establish detailed criteria for products of a given subsector. It is intended that greater management efficiency will be obtained through the bidding process.

Contracts for materials and products, entered into by government-order contractors and the ordering organization, must be approved by the applicable ministries. The ministries also supervise the course of the contract and make periodic evaluations of the degree of accomplishment of government orders. They also intervene should implementation be threatened.

In entering into a contract based on a government order, an enterprise commits itself to make deliveries of specified quantity and quality within the timeframe and conditions fixed in the contract. The government side, meanwhile, guarantees the materials and foreign-exchange for this production, as provided in the contract. Organizations executing government orders benefit from guaranteed supplies of fuels and energy covered by mandatory intervention, needed to fulfill these orders, and the right to priority procurement of materials not covered by mandatory intervention. The furnishing of foreign exchange to government-order contractors is done in accordance with the principles set forth in the central annual plans. If import if financed centrally, delivery of these articles is ensured by the Minister of Foreign Trade in consultation with the Minister of Fuels and Materials Management. As for the other raw and other materials essential to the fulfillment of government orders, the parent agencies of the contractors control the foreign exchange for import.

In addition, government-order contractors may take advantage of the economic and financial preferences specified in the central annual plan. The ministers responsible for fulfillment of government contracts may make application for award of these preferences. The preferences also include assurance to the producers that they will be able to sell the ordered products.

Should the producer fail to fulfill the government contract, the applicable organ deprives him of the preferences, unless the ordering organization did not fulfill its obligation to the contractor of the government order. The government order contractor who obtained foreign exchange funds for the fulfillment of the order and used them for other purposes, is obliged to return these funds to the organ from whom he received them. If the producer cannot return the funds, he must transmit to the state treasury an amount 10 times their value in current zlotys, calculated according to the exchange rate in effect. It is included in extraordinary losses, and in the

interpretation of income tax regulations it is considered to be an unjustifiable loss.

The precedent-setting nature of government orders in our country, the lack of mention of them in the courses of economic reform, and the introduction of them during a period of deep market imbalance, has provoked controversy and polarization of viewpoints, especially among theoreticians. Some believe that government orders are a solution which complies with the spirit of economic reform, while others ascribe command-directive features to them. The main argument of the former is the need to create a flexible instrument of economic policy under conditions of relatively high self-dependence on the part of enterprises, and that government orders are being used effectively in capialist countries. In the opinion of the latter, government orders are linked closely to state control in the form of mandatory intervention in turnovers of materials and fuels, and furthermore, they may be imposed on enterprises.

For example, W. Wilczynski regards government orders as the important start of actions through which the state, mainly by its economic strength, can shape economic proportions as desired. If the control function is to be correctly performed, the state will have to transform itself from an administrator into the largest contractor, an economic organization which does the ordering, buying and selling (5). J. Mujzel and T. Baczko are of a different opinion. They see in government orders a modified version of operational and planning programs, tools which regulate the structure of production and distribute funds, restricting the market (6). In their opinion, the correct concept of government orders encountered information and methods obstacles which were responsible for the fact that the logic of the traditional system won out. The institutional measures useful in special situations were raised to the rank of a connector between the central plan and the enterprise.

In some publications the expansion of the scope of government orders has been criticized. For example, the Economic Advisory Council, without denying the legal basis for government orders, expresses the belief that their broad range may go beyond the primary intent of the legislature (7).

The basic condition for the effective operation of this mechanism, according to Z. Sadowski, is limitation of the scope of the orders to a small number of selected products. "It would be a complete denial of the effectiveness of this instrument if an attempt were made to cover too large a field with it. There would then be a danger that the government would not be able to comply with its guarantee to furnish the necessary materials and foreign exchange, and that the efficiency of the proposed system would break down" (8). An efficiently operating system of government orders, free of unnecessaray administrative pressure and limited to a small number of economic bottlenecks, has a chance to make a useful contribution to the nondirective system of materials distribution, which is being implemented during the preliminary period of the application of economic reform.

J. Lipinski and U. Wojciechowska hold a similar view. They write: "In view of the higher costs of fulfilling government orders, their use is justified over the long term only in relation to narrow areas connected with the

implementation of particularly important development goals. If these kinds of instruments are applied over a longer period of time to the basic means of consumption and production, this attests to a long-lasting state of imbalance, from which we have no prospects of rapid recovery" (9). The authors named also call attention to the fact that attempts to arrange a bidding process have generally been unsuccessful, nor has it been possible, despite the initial intent, to place the tools, which are the government orders, in the hands of institutions and organs which represent the buyer, who frequently is the user of the protected products. After early attempts at such a solution in 1983 and 1984--in 1985 the parent agency of the producer became the "administrator" of the government orders, in accordance with the provisions of the central annual plan.

A comprehensive evaluation of the functioning of government orders is contained in "Report on the Implementation of Economic Reform in 1984" (10), pointing out the positive results of government orders, such as accomplishment of important production tasks and an acceleration in the implementation of some investments. The unfavorable aspects are also listed, and particularly the fact that a scant 20 percent of the government orders were placed through the process of bidding and efficiency criteria. This is explained by the high degree of monopolization and specialized production. Nor was there a long-range policy for government orders, aimed at structural changes which would result in startup of production of new products or by new producers. In practice, according to the report, these orders applied to scarce products manufactured by the same producers as in the past, which alleviated the shortages but did nothing to eliminate them entirely.

A "Report on the Application of Economic Reform in the Area of Materials Management" (11) also deals with the functioning of the government order system. It emphasizes the favorable growth rate of deliveries of materials and goods covered by government orders. It also expresses fear that expansion of the range of materials and products on the preferential list may disrupt the system, because an increase in the number of priorities may produce unfavorable "competition" among the goals for which preferences were granted.

L. M. Wolszczak (12) makes a similar assessment, saying that the application of government orders to the production of certain materials and products has unquestionably had a favorable effect on alleviating market strains, but an attempt to apply government orders to all materials and products is being seen, and this would have an effect on the correct functioning of the supply process. As increasingly larger sectors of the economy are included in the guaranteed materials and foreign exchange preferential system, a peculiar kind of distribution by the administration takes over.

In the light of these divergencies, studies on the functioning of this system in enterprises are very important (13). These studies show no cases where parent agencies insisted on contracts based on government orders, despite the fact that some producers refused to enter into such types of contracts and the parent organ, as provided by law, could have required the producer to do so. The bidding system, applying efficiency criteria, as provided in the regulations, did not predominate in the selection of government-order contractors during 1983 and 1984; however, in 1985 the bidding system

prevailed. When the contracting parties draw up the contract they have a certain latitude in setting the assortment, because the object of the government orders is, in many cases, an aggregate amount. The deviations which occur in practice are not regarded as infringements on the amounts stated in the central annual plan.

All of the enterprises surveyed took advantage of the guaranteed deliveries and priorities in the procurement of articles not covered by intervention of turnover organiations. But implementation of guaranteed deliveries in 1984 did not exceed two-thirds, and furthermore, most deliveries were not on time, with delays ranging from 1 to 3 months.

It was determined that along with the expansion of the scope of government orders and other endeavors supported by supply priorities, the situation as to furnishing the government-order contractors with raw and other materials deteriorated. Also, disruptions occurred in the implementation of government orders and, in particular, deliveries were not regular or on schedule. These unfavorable aspects were caused by a relaxation of discipline as to the guaranteed deliveries of materials due to too many priorities. Deliveries of materials not under state control also deteriorated, because the consequences of discrimination against the unprotected areas made themselves known. When a large part of the economy is set apart in order to give it special privileges, the rest of it, over the long term, suffers, because we are dealing here with an interconnected system.

When the flow of materials, even the guaranteed ones, deteriorates, the government-order contractor does not feel obliged to completely fill these orders, and the ordering organizations cannot enforce deliveries because the services included in the contract have not been performed. The uncertainty of the basic incentive to take government orders--and this incentive is guaranteed materials--means that as the number of disruptions in the flow of supplies grows, potential contractors decide against entering into contracts. When this happens, the need to apply compulsion may arise.

The enterprises studied were in favor of long-term agreements for deliveries for government orders (this postulate was partially fulfilled in the regulations for 1986-1988), but they also pointed out the negative effects of long-term ties. The following arguments favor long-term agreements:

--mutual legal and economic relations between enterprises are stable,

--regularity of the flow of supplies and sales is ensured, thus the maintenance of reasonable reserves,

--the contracting parties adapt themselves to the changes which take place in their organizations.

One of the complaints against long-term agreements is that the existing structure of production becomes set, while one of its goals is change in this production. Furthermore, long-term agreements make the system of deliveries rigid and, by their exclusivity, they create the conditions for monopolization.

The organizations studied formulated the following conditions for concluding long-term agreements:

--the object of the agreement must be well-chosen,

--the management system must be stable,

--it is expected that imbalance will persist for a long time,

--exclusive producers will be the first to be covered by long-term agreements,

--a specified portion of the production will be left to the disposal of the government-order contractor.

Some enterprises felt that they were cheated when they fulfilled government orders because they lost a chance to undertake more effective production, e.g., production for export. True, they could have refused to take government orders but they did not do so because they feared that their parent agencies and turnover organizations would restrict the flow of materials to them.

An assessment of the usefulness of government orders must give consideration to the degree to which they perform the role assigned to them and the ability to reduce the range of negative aspects which accompany them. The government order contractors polled assessed the degree of implementation of the function of satisfying social needs through improvement in the flow of producer goods as 4.1 (on a 5-point scale), the function of changes in the structure of production at 2.3, and efficiency improvement at 1.6. In an assessment of the turnover organizations entering into agreements for deliveries for government orders, the first function also dominated. Indirectly, the function of efficiency improvement was also pointed to, naming assurance that production capacity will be utilized.

Taking the results of the studies as a whole, it may be said that government orders contributed directly to an improvement in satisfying social needs and balancing the partial markets. In 1984 and 1985, a growth of deliveries for the market and for export was noted in the groups studied. In many cases, government orders were a guarantee that the scarcer products would be produced--those which have not been willingly produced in the past due to difficulties in obtaining materials or due to high labor-intensiveness.

As to the effect of government orders of the type studied on the desired restructuring of the economy, a distinction must be made between the structure adapted to current needs and the structure of production postulated for the future. In the first case this effect cannot be denied, if only because of the faster growth rate of production of materials and products which are the object of government orders, as compared with other production. In the second case, however, the assessment is less favorable, because many traditional assortments furnished under government orders fix the present structure of production. But some assortments which service investment endeavors and tasks in the field of development of science and engineering, indirectly help to hasten restructuring.

Government orders have not fulfilled expectations as to improvement of management efficiency. In particular, no reduction in materials- and energy-intensiveness of production has been found, no improvement in the quality of production, and no reduction in unit cost of production. The enterprises were more interested in producing large quantities than in concentrating on quality and efficiency.

The economic conditions which prevailed at the time government orders were instituted had an effect on their implementation. The period during which these orders were instituted in our economy was characterized by:

--deep market imbalance, both in means of production as well as in objects of consumption,

--difficulty in reconciling the central plan with the enterprise plans, because the mechanisms of indirect management had not yet been mastered in the initial stage of reform,

--approach of the termination, by law, of state control over turnovers of materials, product and foreign-exchange funds (31 December 1983).

It was urgently necessary, therefore, to exert an effective influence on enterprises with the help of a tool which was compatible with the thesis approved in the assumptions of reform: that the economy is to function on the basis of central planning, employing a market mechanism.

Contractors for government orders involving operational programs and other undertakings, regarded as priority goals, have, as has already been mentioned, assurance that all of their basic needs for materials covered by mandatory intervention (so-called "guaranteed" flow of supplies), and priority in procurement of other materials. This means that fixing the size and structure of the protected area also becomes a tool of control over a large part of the supplies of raw and other materials. In 1984 the share of the area covered by guaranteed supplies amounted to approximately 40% of production (14). In relation to the many products covered by mandatory intervention, deliveries for priority production made up the larger part of total supplies.

Thus developed the function of government orders (along with other components in the protected area), which had not been officially included either in the assumptions of reform or in the standardization document. It is based on the orderly distribution of a large amount of resources, especially very scarce materials. As regards government orders, some of them deal with raw and other materials (e.g., natural and synthetic leather, detergents, chemical fibers, etc.), therefore they too have an impact on the supply of raw and other materials.

The function of furnishing raw and other materials, which in the official concept of government orders has an auxiliary and secondary character, has taken on much greater importance. Orders have become an instrument for controlling the distribution of raw and other materials, especially the scarce ones. Thus a fundamental shift between functions has taken place.

The use of government orders to control the flow of materials has its advantages and disadvantages. One advantage is that it becomes possible to distribute, in an orderly fashion, raw and other materials not just subjectively, which has long been criticized, but also according to specific designation. If the choice of the object of government orders is correct, it may be assumed that the discretionary materials resources were distributed efficiently. Therefore, the postulates that for years have been put forth and contained in the "Courses of Economic Reform" on an objective distribution of materials--if distribution is unavoidable--have been fulfilled.

But the disadvantage of such a solution is that official distribution, which is really legally prohibited, is being replaced by another form of the same thing, perhaps to some degree better, but nevertheless it still restricts the self-dependence of enterprises. If an enterprise is to operate in accordance with the principles of reform, it must be free to choose those factors of production which, legally sanctioned, give a large degree of independence. Guaranteed deliveries and priorities, when applied on a relatively large scale, greatly restrict the range of choice of a materials factor.

[Article continued on following page]

The relationship of government orders to enterprise self-dependence is, in a certain sense, proof that this solution is in agreement with the principles of economic reform. It is true that the confirmation (acceptance) of a government order by the producer is a voluntary act of a self-dependent enterprise, nevertheless the conditions in which this occurs may suggest that indirect compulsion was involved.

One of the reasons that government orders were instituted was that a supply-barrier appeared which reduced the production of materials and products deemed to be important in the achievement of certain socioeconomic goals. The decision was made, therefore, to break through this barrier by guaranteeing, at the expense of other goals, that the necessary supplies would be available for production involving government orders. Guaranteed deliveries of materials covered by mandatory intervention and priorities in deliveries of other materials, which is supposed to be an incentive to undertake production for government orders, constitute a form of state control.

The potential contractor accepts the offer of the ordering organization, or even makes an offer himself for fear that without a government order he will not be able to meet his own production needs. One of the enterprises studied accurately described the sense of such a situation, defining the acceptance of a government order as "voluntary compulsion." State control appears not only at the "entry" to the production system of the government order contractor, but also at its "exit." This takes place when the object of the order is covered by mandatory intervention of the turnover organizations. In the opinion of the enterprises studied, government orders restrict their self-dependence both from the standpoint of the production program (acceptance of the production program giving a guarantee of supplies), and from the standpoint of sales. Almost all of the contractors regard them as tools for direct control of the operations of economic organizations.

One of the reasons given for introducing government orders in our economy is the fact that they are used in the market economy with good results, and that they are an important tool in the state's economic policy. The essential difference between them in both economic systems stems from the steady, but extremely different, ratios between supply and demand. Where there is an excess of supply over demand--as in the capitalist countries--the very act of purchase by the government is an effective incentive for the producer. Whether or not an enterprise survives or expands may depend on government procurement, because such procurement means that the production is sold and there will be a specified profit as a result. In our economy, which operates generally under conditions of chronic shortages, as J. Kornai (15) describes it, the incentive to the producer may be to furnish him with the difficult-to-obtain materials and the indispensable foreign exchange for imports, and also give him relief from taxes. Only rarely do preferences mean that there will be sales.

Government orders for materials and products, regardless of their nominal functions, filled the gap after official distribution was restricted and the number of operational programs was reduced, in a system where the introduction of free turnover on a wide scale is believed to be too risky. True, in a situation of imbalance they are not an instrument which fully meets the

requirements of economic reform. Nevertheless, even then they have certain characteristics of an economic tool. The larger the scope of government orders (and in other endeavors the protected area), the more clearly their command-directive character is revealed. As the economy becomes balanced, government orders, if their scope is not too large, may become an effective and lasting instrument of the state's economic policy.

If government orders are to properly perform the functions assigned to them, their present scope (this pertains to the entire protected area) must be reduced, and their lead time must be extended further, with the enterprise retaining complete freedom to accept or refuse them. The primary method for selecting contractors for government orders should be the bidding process, based on efficiency criteria. In the case of exclusive producers (monopolists), quality and efficiency of deliveries should be rigorously enforced.

The first items on the list of government orders should be raw materials, other materials, and coproduction elements which will eliminate bottlenecks in production and produce multiple results. Priority should be given to raw and other materials and products to be used in planned innovative processes. With time, the main object of government orders could be materials and products which promote technical progress and indirectly help to restructure the economy. This does not mean that the materials intended to eliminate temporary disruptions on the market, both means of production as well as objects of consumption, should not be covered by these orders.

It seems advisable to specify, in the central annual plan, the share of raw and other materials which are to be used in filling government orders, in the total pool of materials covered by mandatory intervention (possibly arranged according to the most important materials). The starting point for this would be a preliminary draft of government orders, and the decision as to the size of the supplies would serve as a guideline for the final preparation.

It is essential that the government order system be subject to more effective action of economic instruments.

The fact that government orders have fulfilled the function of satisfying basic social needs relatively well shows that the authorized turnover organizations have control over the market of materials and products which are the object of government orders. Thus an attempt can be made to exclude these materials from the mandatory intervention of the turnover organizations. In this way, the range of state control could be reduced, with the relative certainty that there will be no disruptions in the market.

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9295
CSO: 2600/654

COLUMNIST COMMENTS ON NEW '500 LIST' OF TOP ENTERPRISES

Warsaw ZYCIE WARSZAWY in Polish 8 Jul 86 p 3

[Article by Henryk Chadzynski: "List of Polish Enterprises"]

[Text] I have already called attention several times to a striking paradox. The more the government operates in the open, the more various types of program documents are submitted for social consultation, and the more complete the numerous reports assessing the economic situation, the more hermetic become the means by which autonomous, self-managing, and self-financing enterprises realize their interests. In contrast to large concerns in the West, which publish annual reports not only for the use of their stockholders but also for broad publicity, in our country, starting with the mining companies, the large communities, and ending with small cooperatives, there somehow seems to be no desire to present the results of their activities to society.

But after all, under our conditions everyone feels himself to be, if not a stockholder, at least a joint owner to some extent of the enterprises, which society has turned over to the work force for its use. Annual reports, confirmed as in other countries by independent bookkeeping experts, and made public knowledge, would constitute something like a report to society, discussing whether our joint property is making a suitable profit, and if not, why.

And now the next in a series of collective reports is appearing, on the subject of the results of 500 enterprises in the manufacturing industry, ranked according to the size of their production. The pioneering initiative of the monthly ZARZADZANIE has met with enormous interest, particularly since the supply of information about the country's largest industrial giants is being continually expanded, and thereby drawing aside the veil over the enterprises' activities.

The latest "500 List" brings much more extensive information, although in a very aggregate manner, not just because the results of studies of the scale of exports are presented for the first time, but also because the measure of the productivity of the enterprises has been purified to a certain extent of incidental factors resulting from various subsidies or supplements. In spite of this, however, the ranking of these 500 enterprises, and also their

hierarchy with respect to what they create and what they consume, may elicit at least 500 question marks. The historians who some day try to study the economic history of our times will have to surmount many difficulties in order to understand, for instance, not only the meaning of the term "negative capital formation," but also the fact that the enterprises receiving subsidies have the funds to pay the people employed by them more than units that are distinguished by higher productivity and more favorable profitability indices.

First place at the head of the list is still occupied by Polmos. As Tadeusz Baczko states in his commentary, it still, unfortunately, makes a considerable contribution to the national income and pays the highest turnover tax. Every zloty invested in the property of this enterprise, already 51 percent amortized, yields 24 zlotys. The author of the study states that as a monopolistic supplier of alcoholic products, this first giant has turned out to be more durable than the monopolistic customer, Ponal, which was created by the law on surmounting alcoholism and teaching sobriety.

The distance between Pomos and the second colossus in terms of sales, Petrochemia in Plock, has been reduced by close to 40 billion zlotys, however. It is also worth noting that Petrochemia admittedly brings less capital formation, but occupies first place in terms of its financial result, or as it is popularly called, profit. First place in terms of the number employed (43,584 people) is occupied by the Miedzy Lubin Mining-Smelting Combine, which is at the same time first in terms of the average monthly wage. For the year 1985 (all the data concern that year), it was 35,360 zlotys. On the other hand, the Katowice Steelworks were in first place in terms of the amount of fixed assets. In order to supplement the news of the ones at the top even more, it is worth adding that in terms of net profitability, the one at the top is Polfa in Jelenia Gora. Let us also add that at the other extreme, the only enterprise distinguished not only by negative capital formation, but also a negative profit of over 4.5 billion zlotys, was Azoty in Wloclawek.

The hierarchy of enterprises has changed not only as a result of more or less natural shifts, i.e., economic advancement or decline, but also due to organization changes, since newly created large organizations appeared at the top, to which the authors of the commentary moreover devote a great deal of attention. It is worth noting, however, that Azoty in Pulawe was among the enterprises that are yielding negative capital formation--it is difficult to say whether this is their own fault or the fault of price systems protecting customers at the expense of the producer--in addition to the Chemical Works in Police and the above-mentioned works in Wloclawek.

The news that during the last three years the Chemical Works in Police have almost doubled the amount of their negative capital formation will be unusually striking. We believe the observations in ZARZADZANIE that the position of the enterprises who were at the bottom in terms of the size of the profit was determined to a significant extent by supplements, subsidies, and rate reductions, and their discretionary and selective nature.

I have already mentioned that the leader of the club of the most profitable enterprises is Polfa in Jelenia Gora. It is worth noting, however, that among the ten leading enterprises from the standpoint of profitability, there are

five representatives of the pharmaceutical industry. This is determined by the high proportion of their exports. We thus obtain a confirmation of the thesis that filling orders in foreign markets is very profitable for the large exporters. The Mera-Blonie Plant, a producer that allocates 70 percent of its production for exports, has now been among the enterprises with the highest profitability for three years in a row.

The situation of the profitable enterprises and their position on the list is changing. For example, the Mera-Elzab Plant in Zabrze has fallen all the way down to 11th place, while on the other hand the Ponar Mechanical Equipment Factory has again moved up to 4th place on the list of the most profitable enterprises. Wrozamet reached the ten most profitable enterprises for the first time, immediately going to eighth place. This producer of heating equipment is the only producer in this club of profitable ones for which the proportion of exports is below 10 percent.

One more observation deserves attention--that in spite of high net financial profitability and high productivity, all of these enterprises are characterized by relatively low wages. On the other hand, it is significant that there are certain trends for enterprises to adapt to the new system of wage regulations. For example, fourth place on the wage list was occupied by the Mera-Elzab Computer Industry Enterprise, which has good financial results. It employs about 1000 people, and the good wages are justified to a significant exent by the economic results.

Comparisons regarding the growth of fixed assets must give rise to concern, however. The average index for this growth is 4 percent, which, in comparison with a level of consumption of these assets amounting to 46 percent does not require any comment, and can be a measure of the process of the deterioration of fixed assets. Only 10 percent of the enterprises show a growth of assets higher than 10 percent. There were 69 enterprises that renewed their assets at a rate less than 1 percent, and for 287 the index for renewal does not exceed 5 percent. The modest scope of enterprises' investment is primarily a result of their lack of funds. In addition, the financing rules that were still applied last year, but have now been changed, forced enterprises to reallocate their own funds to finance reserves at the expense of development possibilities.

Marek Dabrowski, describing the fiscal system in his commentary, begins with the significant opinion, "Without changes for the better." A comparison with the previous study confirms the thesis of the overdeveloped redistributive role of the state budget, which is manifested--as he states--in the very high but also selectively differentiated taxes and in the expansion of the system of subsidies and supplements. In 1985 this system underwent further deterioration. The turnover and income taxes in 1985 took 95.5 percent of the capital formation for the budget, while the year before this share was 93.9. The real scope for self-financing thus underwent a further reduction.

The latest edition of the "500 List" also contains an interesting new column that summarizes all of the enterprises' liabilities. It indicates very clearly the data concerning the scale of fiscal burdens. All of the liabilities constituted a full 112 percent of the capital formation.

The comments of the Economic Consultative Commission regarding the excessive liabilities of enterprises, and especially the liabilities preventing the healthiest enterprises from carrying out innovation undertakings, met with a rebuttal. This time the latest edition of the "500 List" provides unshakable arguments confirming the thesis that the tax system is too fiscal, and does not provide enough incentives.

To a significant extent, the "500 List" removes the curtain covering the activities of industrial enterprises. This aggregate analysis would be more readable, however, if both the top ten and those located at the end of the table in terms of production, productivity, profitability, and average wages were presented in more detail. I am not talking about long monographs, but rather a brief description of what these indices mean and what determines whether someone is the leader and someone else is bringing up the rear. This would make it possible for society to have some insight into the bookkeeping of the enterprises until--as I believe will happen--annual reports are published on their activities.

Furthermore, this is not a question of revealing trade secrets. Large businesses in the West do not reveal them either, but on the other hand treat their reports as an important factor strengthening the firm's reputation. It is thus worth while for us as well to supplement aggregate reports on the economy with information on how the list of Polish enterprises is operating.

9909
CSO: 2600/612

SHOE SHORTAGE IRKS CONSUMERS

Warsaw ZYCIE WARSZAWY in Polish 12-13 Jul 86 pp 1, 2

[Article by (Krys.): "What To Wear?"]

[Text] (Own information) The shoe supply in shops does not promise to be very good. Trade calculated that there would be a demand for about 115 million pairs from domestic producers. There will be a shortage of 13 million pairs.

The first part of the year has somehow passed, and autumn and winter are before us. Meanwhile, it is the shortage of autumn and winter footwear that is expected to be the most serious. Men will not really have any problems, but it will be worse for women and children. Merchants have already called attention to the existing shortages, and industry was supposed to increase the supply, but it has not done so. There is consequently a serious danger to the shoe supply for the approaching autumn-winter season.

There will be a shortage of about 4 million pairs of women's shoes, mainly pumps and high-quality low shoes, and winter boots. Knowing our tradesmen, it will be possible to buy these shoes in private shops, but at considerably higher prices. That is also good, however, but what is one to do about the disturbing shortage of children's shoes? Neither tradesmen nor Polonian firms are eager to undertake such necessary production. Similarly, [word indistinct] plants do not have enough capacity or materials. Also, such production is not profitable.

The shortage of children's shoes thus amounts to about 5 million pairs, and therefore will reach 30 percent. The worst situation is with footwear for preschoolers. Calculations show that shoes will be purchased by every other child aged 3-6 years. There will also be definitely too few shoes for children who are just beginning to walk. As if it were not enough that there will be a shortage of shoes, there will also be a considerable increase in prices for them. It appears from analyses by merchants that this year children's shoes, for example, will be more than 100 percent more expensive, so-called infants' shoes 82 percent, and boys' shoes 45 percent, while preschoolers' shoes will cost 61 percent more, etc. Today, winter shoes for preschoolers already cost about 1,600 zlotys.

The Association of Trade Enterprises has already informed the Minister of Domestic Trade and Services about this situation, and at the same time asked for consideration of the possibility of purchasing the required shoes abroad. While there are chances for additional purchases of women's shoes, it will be worse for the purchase of shoes for children. They are very expensive in the dollar markets.

Side by side with these shortages, there is the following consideration: we export children's shoes to the West, but we in Poland have a shortage of them. The factories have to earn foreign exchange, and the country has to repay its debts, but why does this have to be at the expense of our children?

9909
CSO: 2600/612

LODZ VOIVODSHIP EXPORT PICTURE DETAILED

Warsaw ZYCIE GOSPODARCZE in Polish No 34, 24 Aug 86 p 1

[Article by (Z.G.): "Exporters Complain About Exports"]

[Text] For the first time, the Lodz Branch of the Polish Chamber of Foreign Trade not only evaluated the bal nce sheet of foreign trade for the enterprises of Lodz Voivodship but also polled the biggest local exporters about their views on the development prospects for their exports this year and the barriers discouraging an expansion of export volume.

In 1985 the industry of Lodz Voivodship exported goods worth 45.5 billion zlotys, of which 27.6 billion zlotys (316 million rubles) to Payments Area 1 and 17.9 billion zlotys (US$121 million) to Payments Area II. In terms of foreign-exchange prices, compared with 1984, exports increased by 3.1 percent, of which by 4.7 percent to Payments Area I. In terms of foreign-exchange prices, exports in 1985 increased by 3.1 percent (of which to Payments Area I by 4.7 percent) compared with 1984. An increase in exports to both payments areas occurred only in the light industry, while exports to Area II declined by 16 percent in the electrical machinery industry and by 24.5 percent in the chemical industry (these three industries dominate Lodz Vovivodship). These results are way below those achieved in 1980 when exports to the dollar zone had been 42 percent higher (and exports to Payments Area II, 18.5 percent higher). Last year, despite the changes in the rate of exchange for the zloty relative to the dollar and the ruble, no improvements were achieved in the profitability of exports. This is chiefly due to the rise in domestic production costs.

Of the 233 industrial enterprises of the socialized sector, the poll covered 105 state-owned and cooperative enterprises, whereas the number of enterprises engaging in exports is 156. The respondents named in the following order the principal conditions for increasing the volume of exports: the material and coproduction supply system; quality and modernity of goods; operating efficiency of foreign trade enterprises (negative comments named CIECH and STOMIL, but they did not name joint stock companies for foreign trade); and the condition of the machinery pool.

Considerable food for thought is provided by the appraisal of the economic instruments intended to stimulate exports. In the opinion of the enterprises,

the system of clearing foreign-exchange allocations was the most effective factor, but it performed properly only until the third quarter of 1985. This year the system is experiencing major disturbances in its performance owing to the ceilings imposed on funds. Hence the apprehension that, should the current situation continue, incentives for exports and for their volume will diminish greatly. Next in order of incentives named was the income tax relief and PFAZ [Plant Activation Fund] relief (currently replaced with a tax on norm-exceeding emoluments). The application of these types of tax relief to not only exports but also their volume was praised, also because the funds thus accrued could be spent on monetary allowances for the workforces of producers and coproducers. The overall value of income tax relief granted in 1985 in Lodz Voivodship was 2.5 billion zlotys or 5.7 percent of the value of exports in sales prices (compared with 1.6 billion zlotys or 4.8 percent in 1984). PFAZ tax relief granted for exports in 1984 was 288 million zlotys, and in 1985 436 million zlotys. By contrast, awards from the fund at the disposal of the minister of foreign trade, which in 1985 made it possible to increase the emolument of the statistical employee by... 283 zlotys monthly, operated only as very weak incentives.

The most critical comments pertained to the revision of regulations for this year: the rate of income tax relief (2-8 percent) was made contingent on the extent of the processing of goods, and that relief can now be granted only for the development fund (whereas previously it could be partially used for monetary awards to the workforce), and its extent was made contingent on the ratio of the transaction price to the sales price minus the income tax, while norm-exceeding wage tax relief was made contingent on the degree of the processing of goods and the geographical direction of the export. These criteria are defined more precisely in lists of preferred facilities and goods. In this connection, the enterprises found it particularly disturbing that the lists issued by the Ministry of Foreign Trade did not mention any textiles, which means that they are regarded as products with a low degree of processing and hence products whose exports afford mimimal tax relief. The enterprises regard this as incomprehensible considering that, e.g., the priority group of highly processed goods listed includes such products as structural glass or goods made of osier. The consequences to the enterprises will be extremely grave: in the wool industry, given the same volume of sales as in 1985, income tax relief will decline to 17.6 percent; norm-exceeding wage tax relief will account for 28.3 percent of PFAZ tax relief, and the tax relief to be granted for increasing exports will amount to only 9.4 percent of the funds gained in 1985 for this reason. The criteria for determining the profitability of exports were considered by the enterprises as debatable, because it is difficult to compare the situation in discrete subsectors and industries considering that the principal factors in profitability have not been brought into order. The application of profitability criteria would first require regulating the foreign exchange rates so as to reach a level assuring the profitability of at least 80 percent of exports (exclusive of agricultural produce and foodstuffs), and bringing into order producer prices by basing them on world price levels.

The 0.3 percent increase achieved in exports to Payments Area II in 1985 as compared with 1984 was regarded as stagnation and a low level at that, and hence it is indispensable to (in addition to revising the aforementioned

priority lists of the Ministry of Foreign Trade) assure genuine and tangible supply priorities, introduce transaction prices, assure economically more effective export preferences, unblock ROD [Retained Hard Currency Allowances], and introduce finally stable economic regulations.

1386
CSO: 2600/65

PRODUCE EXPORT BARRIERS: SITUATION WITH SWEDEN

Warsaw POLITYKA (POLITYKA EKSPORT IMPORT supplement No 15, Aug 86) in Polish No 31, 2 Aug 86 pp 13,15

[Article by Andrzej Mozolowski: "I Don't Understand It" surtitled "Reportage from Sweden"]

[Text] Having a neighbor across the Baltic affords, as known, excellent opportunities for trade -- in also and of course fruits and vegetables. Particularly in fresh ones, because we can offer produce of highest quality that ripen 2-3 weeks earlier than in Sweden. If this gap is filled, the season can be continued. But strange as it seems, while our exports of frozen foods to that country are gratifying (they meet nearly one-half of the import needs of the Swedish market), fresh produce sell poorly, and less and less well at that. The blame cannot be placed on some force majeure, on the crisis or on Chernobyl.

Even compared with 1983, the situation is worsening. To be sure, that year we had not exported much, but still we did export 311 metric tons of cucumbers, whereas in 1984 our exports were only 81 tons and last year even less. As for exports of tomatoes, they amounted to 650 metric tons in 1983, 215 a year later, and nothing at all last year. Even onions, those traditionally magnificent Polish onions, account for only 9 percent of Sweden's onion imports. Our Baltic neighbor somehow prefers to import them at higher cost, although at no improvement in quality, from other countries of West Europe, and the same goes for cabbage, cauliflower, tomatoes, and cucumbers.
Why?

*

The auction of fruits and vegetables in Malmo takes just half an hour and usually is over as early as at 0730 hours. Buyers sit down on benches placed in an amphitheatre-like arrangement. They already have inspected the goods, and now the auction game is on. Right now a lot of tomatoes, such and such number (anonymously -- the supplier is identified only after the transaction is closed) is being auctioned off. The hand of the giant price "clock" begins at some 15 crowns per kilogram. The buyers do not react. Every couple of second the hand falls another half a crown: 9..., 8 1/2..., 8..., 7 1/2.

Nothing. The tension grows. Who will stick it out longer than his competitors? 7..., 6 1/2..., 6. Someone (his identity is known only to the auctioneer standing in his tall pulpit) pushes the button under his pulpit. He will buy at 6.

This is how auction prices evolve. And as known, there is no appeal from them. There is no appeal from the laws of the market: it is on the basis of these prices that buyers determine their sales prices in retail trade, and it is on their basis also that they negotiate the prices at which they purchase produce abroad. It is thus nothing surprising that when the Polish supplier demands 2 crowns more for his cucumbers than the Dutch supplier, or when he asks 7 crowns for cauliflower that the Dutchmen offer at 4, or when he demands much more for his tomatoes than does a Spanish producer, no deal is concluded with him. It is not surprising either that only a small part of contracts is concluded for each year.

I claim that the principal reason for our failures on that market is due to the faulty price policies of our central agencies. They refuse to acknowledge the fact that the horrendous leaps of retail prices for fresh produce that occur in our country are unknown in Sweden. The Polish consumer pays for, e.g., tomatoes 60 zlotys per kilogram in August, whereas in April they cost 1,500 zlotys and in May, let us say, 800 zlotys. Yet, these tomatoes or cucumbers should be sold to Swedes in April and May at a low price, say, 3 or 4 crowns per kilograms, despite their high cost (fuel!), although in those months it would be much more profitable to sell them on the Polish market, for zlotys, to be sure, but at a price five to eight times as high. This is necessary because then Swedish importers would buy the produce also in June, July, and August at prices close to initial prices prices in the months when the Polish domestic market has a surfeit of tomatoes, cucumbers, or cauliflower and the domestic prices fall to one-tenth. Then for the season as a whole the Polish supplier will gain high profits. Unfortunately, in practice the situation is reversed: in the beginning the prices demanded are too high and in the high season they are desperately lowered to ridiculously low levels. (On my desk lies a telex from POLCOOP to a Swedish customer: "Take our cucumbers at 1.2 crowns [per kilogram]!) Except that by then the Swedish customer already has concluded contracts with exporters from other countries, from whom he takes what he needs, and he will not hurt his regular contacts for the sake of incidental gain; he thus rarely avails himself of offers of this kind.

Lars Sange has 100 hectares: lettuce and fennel. He also is the main shareholder in Hellefors AB, a fruit and vegetable trading company.
The company consists of, in addition to him, four persons (including his wife, the bookkeeper), refrigerated warehouses, and a small pavillion accommodating an office, a computer, and a gentle Alsatian whose main ambition in life seems to be dozing on the floor in places where any passerby is most likely to stumble against its shaggy body.

Lars Sange does business with Italy, Holland, Switzerland, Spain, Turkey,..., nearly the entire Europe. A year and half ago he became interested in Poland, first because it is nearby and secondly because he had learned that in Poland manure is still used as fertilizer and there exist farms on which produce are

grown without any chemicals -- and there is a considerable demand for organic produce on the Swedish market. He contacted the Gumience Truck Gardening Combine (KPGO) in Szczecin Voivodship and signed his first contract with HORTEX, and subsequently with POLCOOP. He hired the "Swedish Pole" Marek Grudziecki as his "special plenipotentiary" for the Polish market.

Thus began the tempestuous romance of Mr. Sange with Poland. It began in grand style. The Swede decided to import on the Swedish market produce from Poland, the first and sole Swede to do so. And he was going to import not anonymously but by advertising organic Polish firm produce untouched by any chemicals. He provided Gumience with machinery for the foil-packaging of cucumbers, lovely cartons with suitable inscriptions and a drawing. In the ardor of his love, so to speak, he imported "Star of Bethlehem" parent trees from California for Gumience and provided seeds of melons, corn, and lettuce.

The first deliveries began. Transports of meadow mushrooms from the Poznan MYKOEXPORT commenced as well.

Both sides were extremely gratified with the deal.

Why Are They Threatening Me?

But soon the first passion had cooled. After this trade lasted half a year the feelings of the partners are far from being enthusiastic. But since in business it is the facts that count, not feelings, below are these facts:

-- Price negotiations concerning subsequent deliveries are collapsing. Hellefors feels that it cannot pay for Polish produce more than for Dutch or Spanish produce, while the Polish side claims that it cannot cut prices. Hellefors provides documentary proofs that it is paying more for Polish produce anyway: in February it paid on the average 9.30 crowns per kilogram of Dutch cucumbers, whereas it paid 9.25 crowns plus packaging and transport cost, or altogether 11 crowns per kilogram of Polish cucumbers.

-- The mushroom suppliers from MYKOEXPORT were tripped up by HORTEX, which claimed that, as the central agency in that sector, that is as the agency deciding on prices, it thought that 13 crowns per kilogram was too little and the price should be 15. At Hellefors I was told that this is not true: according to official Swedish statistics, the average Polish price at the time was 12.95 crowns, as confirmed by BRH in Stockholm.

-- Hellefors was guaranteed under its contract to be the sole buyer in Gumience; yet, it accidentally discovered that Gumience was also secretly shipping tomatoes to another Swedish company. When it telexed a protest, POLCOOP replied coldbloodedly that Hellefors had been purchasing so little that the combine "applied to export its produce via other central agencies" and "failure to adhere to the contract does not come into question." Hmm....

-- HORTEX speaks of Hellefors rather nonchalantly. It is supposedly a small buyer, a dwarf compared with the six giants, headed by the mighty ICA, to whom HORTEX is supplying goods. Well, a dwarf is a relative term: the total exports of fresh fruits and vegetables to Sweden last year were valued at 10

million crowns, and the initial transactions with Hellefors during the second quarter of this year alone yielded us 1.2 million crowns.

-- Then also I was told that Hellefors is unreliable. It is not making payments to POLCOOP. At first it had made payments promptly, but in the last couple of months it stopped them. To be sure, the creditor, POLCOOP, is protected by a bank guarantee provided by the client, and the money will not be lost, but all the same it looks bad when payments are in arrears and foreign exchange is not received on time. This injures greatly the reputation of Hellefors. But Hellefors argues that it is doing so on purpose, because Gumience took all the equipment mentioned above (foil-packaging machinery, seeds, etc.) and to this day has not paid a penny for it. Therefore, Hellefors is not making any payments to POLCOOP, in the expectation that the latter would pressure its supplier to pay what it owes. Moreover, Hellefors has been informed by Swedish lawyers who handled the bankruptcy proceedings of a company called Buketten that at one time that company also had provided various goods to Gumience without ever seeing them or any money again. All this is true, but still the money for the shipments belongs to POLCOOP and debts of a produce combine should not be charged to an exporting agency.

-- An eye for an eye: HORTEX confirmed a shipment of onions and then ordered unloading the wagons at the last minute because it had learned that Mr. Sange is selling Polish onions at a lower price than another customer of HORTEX, probably ICA. HORTEX displays a moving concern for the interests of the new importer by even telexing a threat: "...You may expand trade with us provided that you will not antagonize the big sharks by stealing their customers.... I must warn you that if we receive complaints from the major importers that you are encroaching on their territory, we will be compelled to reappraise our amicable relationship."

Lars Sange read that telex to me and raised his eyebrows. "Sweden is a free country, with free competition, and this precisely is free competition, so why should you forbid it to me? It is my business whom I sell to and at what price, and that's it. Why are they threatening me? I don't understand it."

Here it is worth noting that competition does not prevent the "big sharks" from trading among each other. The biggest shark, ICA, is a customer of Mr. Sange.

Hellefors is ready to double and triple imports from Poland. It is ready -- and has proved it -- to act as the sole importer for the Swedish market (once the surge of post-Chernobyl emotions subsides) of Polish fruits and vegetables advertised as Polish goods. This in itself is something special, needless to say.

A Lesson in Impoliteness

But it would like to straighten out the price questions mentioned earlier, and it also desires that deliveries be made on schedule, since they are constantly tardy owing to poor ferry service by the Szczecin-Ystad PZB Steamship Company. Further, the goods forwarded should be in good condition.

This is because, the tomatoes forwarded from KPGO Gumience arrive either soiled or too soft and overripe, and certain cartons produce the impression that their contents were not segregated, large tomatoes being packed together with small and red ones together with green ones. Hellefors has accepted one such shipment and then another, without objecting, except that it pointed to that fact in the form of a notation signed at its request by the driver who delivered these tomatoes and witnessed their unloading. In reply it received, instead of an apology, an impertinent telex from POLCOOP, "Regarding your comments on the quality of the tomatoes, as well as the note sent to KPGO-Szczecin, please be advised as follows: 1) Notes authored by you and signed by truck drivers are not authoritative documents. A driver who signs such a note exceeds his competences and we have taken appropriate measures to avoid a recurrence of such matters...; 2) The combine in Szczecin has been shipping for years hundreds of metric tons of tomatoes to other Western markets and receiving commendations for the quality of its goods. All shipments are licensed for export just once by the Central Inspectorate of Standardization and there can be no question of any glaring differences in the quality of discrete batches, and the more so of the contents of discrete cartons. The supplier has declared that it will not alter quality or method of sorting. Should you continue to entertain reservations, we see no other way out than to discontinue shipments completely."

By chance, on that very day the ferry brought to Ystad both myself and another shipment of tomatoes from Gumience to Hellefors AB. I witnessed the arrival of that shipment and I must admit that I blushed with shame for the Polish supplier and exporter: each carton contained a mixture of red and green, large and small, soft and hard tomatoes.... I thought to myself that I would like to see those commendations by Western importers. Such tomatoes would not be advertised by sellers in the FRG, nor even by a gmina cooperative in Podunk, Poland. The arrogance of POLCOOP's telex became even more glaring. And Lars Sange nodded and said, "But this is good merchandise. Taken individually, they are truly beautiful tomatoes. Why aren't they sorting them? I don't understand it."

This time Hellefors took care to obtain "authoritative documents." It summoned an expert and an appropriate official report together with photographs was prepared.

Can't Be Helped. What a Pity.

Quite recently cherries were shipped in. The year's first cherries. At this time of the year they are an expensive luxury in Sweden. This is good business for the Bulgarian exporter. Poland does not export cherries at all, although at this time of the year we have cherries in abundance; they are prettier, and on my land plot sparrows already are pecking at them. Why can distant Bulgaria export them and nearby Poland cannot?

Polish onions are prized the most in Sweden. Yet Swedes buy them in small quantities (in relation to their needs) and reluctantly; they prefer to buy them from other countries. Why? Because we ship them not on pallets but in sacks heaped onto trucks. It takes one man 2 hours to unload them. Palleted onions can be unloaded by one man with a forklift truck in 10 minutes.

Manpower in Sweden is very expensive. "Why aren't you sending them on pallets? You would get better prices! Polish onions sell at 1.52-2.00 crowns per kilogram, whereas Italian onions, which are no better, cost 2.38 crowns (average, last year). Why? Because, above all, they are shipped on pallets. You can't do it?" "Can't be helped. It's absolutely impossible to procure pallets."

In Stockholm, when I visited the office of Comercial Councilor Zdzislaw Koper, he told me, "Pallets? But as many as six of our central trading agencies are selling them in Sweden."

Apparently it is better to sell raw planking held together with nails than to gain high profits by selling it with onions on it. Why?

Now I can myself repeat after Lars Sange, "I don't understand."

In my presence, Marek Grudziecki proposed to a representative of HORTEX that it purchase 1,000 tons of cement. That is a lot considering that the entire touted annual exports of Polish onions to Sweden amounted to 1,500 metric tons. We are up to our necks in onions. It might have been expected that our representative would respond to this proposal by seizing Grudziecki like a tiger seizes an antelope and not letting him go. To my amazement, she ignored the offer, saying, "This is no time to discuss it; our onions have not been harvested yet. And Besides we are not interested in such big contracts; we prefer smaller ones so as not to become too dependent on any single customer."

That was when I ceased to understand anything. By and by, perhaps somebody might explain it to me.

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I do not know how to conclude this article. By saying that I don't understand? Or by saying precisely that I understand why our exports of fresh fruits and vegetables to Sweden are so insignificant?

Perhaps instead I will confine myself to recalling the well-known truism that in foreign trade -- with a few exceptions, e.g., that of the oil market a couple of years ago (but no longer nowadays) -- it is a buyer's market. Not a seller's. The seller or supplier should woo the foreign customer and not vice versa, and the wooing should be intense.

1386
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PRODUCE FREEZING FACILITY SOLD TO PRC

Krakow GAZETA KRAKOWSKA in Polish 25 Jun 86 pp 1,6

[Article by (eis): "Poles Are Changing... Chinese Cuisine"]

[Text] (Own information) This may sound unlikely, but a new revolution is being prepared in China, this time in menus. The traditional menu is being changed not by French, Italian, or English master chefs but by experts from Debica, refrigeration experts at that.

All this is happening owing to a contract signed by POLIMEX-CEKOP with China National Machinery for the delivery of a complete facility to China. For the first time in many years this type of trade agreement was concluded. In effect, a refrigerated warehouse with a capacity of 2,500 tons will arise in a borough of Beijing. For Polish conditions this is a fairly small facility, but in China it will be considered one of the largest.

This refrigerating plant adapted to the freezing of fruits and vegetables will be the first of its kind in that country. And it will be built by the Chinese themselves, on the basis of a complete set of Polish blueprints (including foundation plans) and Polish-produced structural elements and components. The assembling also will be performed under the supervision of experts from Central Refrigeration Equipment Plant in Debica. Construction has already commenced.

The changes in Chinese cuisine ensue from the fact that until now frozen fruits and vegetables have never been consumed in China. A couple of days ago a Chinese delegation left our country after familiarizing itself with the principles for the contractual procurement and distribution of fruits and vegetables. The visitors also were able to taste our fresh-frozen produce.

The contract for building the refrigerating facility, worth 5 million Swiss francs, was signed within the framework of a Polish-Chinese agreement. In return, we shall receive textiles, underclothing, and meat.

That the foreign trade agencies of both countries maintain good mutual contacts may also be demonstrated by the fact that we recently sold yet another candy production line.

1386
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INCREASED CEMENT EXPORT URGED

Warsaw POLITYKA (POLITYKA EKSPORT IMPORT supplement No 15, Aug 86) in Polish No 31, 2 Aug 86 p 14

[Article by Tomasz Bartoszewicz: "Should We Export Cement?"]

[Text] There is a cement shortage in this country. Complaints about this are being made not only by so-called private buyers but also by housing construction. Housing factories operate at "half whistle" [half shift] and people are grumbling. In such a situation it might seem that advocating cement exports is either a joke or a provocation. And yet, let us try to consider this whole issue dispassionately.

Toward the end of the 1970's we used to export 2 million metric tons of cement annually, out of an output of the order of 20 million. Later the situation began to vary. First, output tumbled down dramatically, owing to the coal shortage. Later, when the coal mining industry regained its former level, it turned out that cement output exceeded domestic demand and resulted in an unused surplus. But after we commenced an export offensive, output again declined, because in the winter of 1985 it was precisely the cement plants that became the first victims of energy conservation.

The situation is thus changing like in a kaideloscope, with all the consequences thereof. But exporters have to know over a sufficient lead time whether they can count on a commodity. Acquisitions cost, for it is not enough to find a sales market; its special needs also have to be met. Moreover, distributing companies prefer longterm solutions for understandable reasons (considerable financial outlays), and foreign-exchange prices hinge on cooperation with these companies.

Cement as a commodity subject to so-called central accounting is being sold abroad exclusively by MINEX. For 1986 the central planner envisaged an export of 1,250,000 metric tons of cement (of which 750,000 tons to Payments Area II [dollar zone]), out of a planned output of 17.2 million tons. The problem though is that actual output this year will be about 15.0 million tons, chiefly owing to "holes" in this country's fuel balance. In this connection, a reduction in the volume of cement exports is being advocated in some places. In this connection also, as known, in view of the nature of the contracts

concluded with CEMA countries, the cuts would have to be made in exports to Payments Area II.

The opponents of cement exports readily brandish the argument that they supposedly are unprofitable. In their opinion, it is better to sell coal abroad. Is that really so? I asked this question of the Director of Construction Materials Department at MINEX, Seweryn Pulawski.

He answered, "Let's begin by considering that there's cement and cement. The cement exported to West Europe is chiefly the kind produced by the so-called dry method at GORAZDZA Works, where the annual output is 2 million metric tons out of which about 400,000 tons are marketed through our mediation. We sell chiefly to West European countries because the best prices are to be had there. In addition, to keep good relations with local producers, who are aggressive about protecting their market positions, we attempt to sell small quantities of cement in as many countries as possible.

"Are these exports profitable to the national economy? To answer this question, we should not take the domestic price into consideration, because it is the official price. Instead, we should perform somewhat more complex calculations. We receive about US$30.00 per metric ton of cement made by GORADZDZE. To produce that ton, the cement plant burns 120 kilograms of powdered coal breeze. That is to say, one metric ton of coal (coal of the kind that can be exported for US$40.00 a ton) is used to make eight tons of cement."

Such are the comments of Director Pulawski. Personally, let me add that to that cement plant itself the profitability of exports is more debatable. Allowance should be made for other cost elements. Moreover, the plant is not eligible for tax relief, because cement is a commodity subject to central accounting. The sole incentive to the plant is eligibility for a part of foreign-exchange profits, like that of any other cement-industry plant. For some time now, however, this eligibility has been curtailed, as known. Moreover, GORAZDZE could make better profits by selling on the domestic market, for which cement can be produced in larger quantities by using a more coarse-grained aggregate.

In such a situation the determination with which that enterprise pursues exports seems altruistic, for practically the sole incentive for this is its so-called target agreement with MINEX.

As can be seen, the question of whether we should export cement cannot be unambiguously answered. General considerations, at least in the case of GORAZDZE, are in favor, but the producer's unit cost is against. The so-called gray man on the street is also negatively disposed toward export. In this respect anyway opinions differ little as regards all so-called scarce commodities, such as meat, passenger cars, or household appliances.

GORAZDZE Cement Works was built in the 1970's with foreign credit. The income from its cement exports after 10 years of operation exceeded the amount of the credit loan. The zloty cost of the investment also has long since been paid

off. In the case of this plant we are thus dealing with one of the few instances of successful investment projects.

Let us add that only the cements produced at GORAZDZE fully meet West European standards and the requirements of customers. Their quality is equated by customers with that of the products of such giants as Blue Circle and Rugby Cement in Great Britain or Norcem in Norway and Cement in Sweden.

We thus have on hand a commodity which we can sell advantageously in our most valuable hard-currency markets. Such a situation is rarely encountered by Polish industry.

Our export accomplishments are disturbing to competitors, so much that they initiated anti-dumping proceedings within the EEC. But the report of the committee of experts appointed by the EEC proved unequivocally favorable to Poland and everything indicates that the EEC Council of Ministers will follow the committee's recommendation and reject the anti-dumping proposal.

Considerations of trade policy also are in favor of exports. This requires a kind of longrange accounting to determine whether our economy can afford to relinquish foreign-exchange revenues of some US$15 million annually, or whether measures to reduce cement consumption in Poland should be taken instead. It is no secret after all that our construction industry is exceptionally "cement-intensive," as is besides reflected in the extremely high cost per square meter of dwelling area. Curtailing exports of cement would be the most elementary and the worst solution.

1386
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IMPORTANCE OF AGRICULTURE IN NATIONAL ECONOMY

Bucharest ERA SOCIALISTA In Romanian No 7, 10 Apr 86 pp 23-26

[Article by University Prof Dr Oprea Parpala: "Agriculture--One of the Decisive Branches of the National Economy"]

[Text] The issue of the role and place of agriculture within the process of building the socialist society captivated the concerns and revolutionary activities of the RCP for a long period of time. However, a scientific and realistic answer was only provided by the Ninth RCP Congress, which reviewed the past and future historical role of agriculture and the peasantry.

In the past 20 years the development and modernization of agriculture became one of the constant concerns of the RCP's policy, in accordance with Comrade Nicolae Ceausescu's innovative ideas. As the party secretary general once again stressed at the expanded plenum of the National Council for Agriculture last February: "Agriculture occupies an important place within the general development of our fatherland, being one of the basic and decisive branches of the socialist and communist construction."

Our party's revolutionary concept of agriculture as a decisive economic branch, a concept that takes into account the socioeconomic and political realities of a world aspiring for peace and progress, highlights the exceptional role of agriculture for building a new social system; moreover, for a communist party such as ours, whose revolutionary program is aimed not only at building the comprehensively developed socialist society but also at creating the conditions for advancing toward communism, defining a strategy concerning the relationship between the development of the various branches of the national economy and the decisive emphasis placed on the agriculture acquires a special ideological and political significance, because it reflects its capability to map out a clear path for building the new social system and to scientifically select the ways and means of evenly developing the economy.

A Second Basic Economic Branch

The contemporary realities show that the agriculture, as a factor of decisive importance for the national economy, is expected to ensure the independent and sovereign development of each country, in view of the fact that it constitutes an absolutely necessary and compulsory basis for industrialization and for

raising people's living standard. In point of fact, the major industrial powers of the world are also the ones whose agriculture is capable of not only amply covering domestic consumer requirements, but also of providing considerable output for export. Thus, for example, even strongly industrialized countries which are not as rich in agricultural resources and which until recently relied mainly on imported agricultural produce, are now making efforts to grow farm produce and to supply their own food.

This general trend highlights even more clearly why our party focuses so intensively on geatly increasing the agricultural production and achieving the new agrarian revolution within the framework of its policy of attaining a new quality of work and life in Romania, intensively developing all the branches of the national economy, and building the new system. Everything that is undertaken in this area is aimed at enhancing the role and consolidating the position of agriculture in the economy as a basic and decisive sector for the development of socialist Romania.

In consistently promoting this policy our party proceeds from a number of theoretical and practical considerations. In a country endowed with favorable and diverse natural and economic conditions like Romania, the agriculture is one of the best suited branches for efficiently utilizing the production resources, and the very development of industry and of the national economy as a whole, as well as raising the living standard of all the people are greatly dependent upon it. In the current conditions, this trait, in conjunction with other factors, make the agriculture into one of the priority sectors of Romania's economy.

As a matter of fact, international socioeconomic practices show that, far from having become a secondary sector steeped in routine and economic stagnation--as certain foreign economists still claim--the agriculture is increasingly asserting itself as a dynamic, progress-generating branch without which industrial upsurge would not have been possible. Romania's experience in the past few decades verifies this truth. While the share of agriculture in the social product dropped in 1984 from 25.7 percent to 13.3 percent compared to 1950, and from 27.8 percent to 15.3 percent in the national revenues, the overall agricultural production increased by 315 percent (at a 4.3 percent average annual rate). In consequence thereof, in 1984 the agricultural social product was 338 percent higher than in 1950, and the national revenue was 169 percent higher. Thus, agriculture is making a noteworthy contribution to the socioeconomic progress of the country, while its continuous and dynamic development constitutes a fundamental condition for the success of the socialist construction.

As is known, there is a close link and mutual predication between agriculture and industry. Any tendency to underappreciate one of these main economic sectors or to lag behind in one of them can cause imbalance in the general economic development amd can have negative repercussions on the entire social life. Experience has conclusively demonstrated that the systematic progress and modernization of the agriculture are vital for building socialism and that promoting a correct, equally scientific, realistic, and bold agrarian policy constitutes an essential condition for harmoniously developing the economy and successfully building the new social system.

The practice of building socialism in our country made it amply evident that the thesis of industrialization at the expense of the development and modernization of agriculture in fact led to neglecting the importance of increasing agricultural production in the initial period of building the new system. Historical experience shows that the implementation of such an orientation causes imbalance in the general socioeconomic development and has a negative impact on the people's living standard. The need to attribute a particular role to agriculture for the harmonious and balanced progress of the entire national economy, for raising the people's living standard, and consolidating the national independence has been proven both theoretically and practically.

Proceeding from the general principles of scientific socialism and from the specific realities prevailing in our country, the party program and the documents of the 13th congress have established that one of the major objectives of the 1986-90 5-year plan is to simultaneously and intensively develop both the industry (particularly the production of raw materials and energy) and the agriculture, as one of the basic branches of the economy, and to ensure an optimal relationship between industry and agriculture and their harmonious and balanced progress. Consequently, simultaneously with the uninterrupted upsurge of the industry, the contribution of the agriculture to the balanced development of the entire economy, to meeting the people's requirements, and to the entire socialist construction has been consistntly increasing.

A Sector of Great Economic Importance

The particular importance of the agriculture for the entire society stems primarily from the fact that it is the only branch of material production capable of transforming and accumulating solar energy through labor, while all the other branches are net consumers of already existing energy (fossile energy or agriculturally accumulated energy). This exceptional property of the agriculture--as an inexhaustible source of fresh energy for mankind--has acquired a special significance in the current conditions of the international energy crisis. This fact imposes two conclusions for the economic policy: the first is that the agriculture must be increasingly and rapidly developed by speeding up the process of production intensification with a view to increasing the energy resources (food and other resources), a fact which puts agriculture on the list of economic priorities throughout the whole world; the second conclusion is that we must increase our capability to accumulate solar energy, which is the most inexpensive and the inexhaustible raw material for obtaining potential energy in the form of agricultural products, through the specific agricultural labor means: green plants. As is known, in the present conditions, approximately 2 percent of the solar energy "falling" on the ground is captured, processed, and stored by the plants, a fact that magnifies the role of the contemporary biological revolution for modernizing the agriculture by creating new plant strains and hybrids with a greater capaity for solar energy conversion.

In this connection we want to mention that the directives of the 13th party congress provide for expanding the utilization of new energy resources (some

of which are derived from agricultural production, such as biogas and biomass), and for increasing the productivity of primary energy conversion (in agriculture, primarily solar energy). ...

Secondly, agricultural work is the natural basis and premise for all other social activities and for turning the latter into independent branches. Suffice it to recall that the production of means of sustenance, in which the agriculture plays the decisive role, is the main condition for human life and for any other production. In the absence of agriculture there can be no industry, transportation, construction, and so forth. The derivation of all the other sectors from the agriculture--the primary sector of material production--and their independent existence has been and continues to be predicated by the existence and development of the agriculture, which supplies the consumer commodities and means of sustenance for those members of the society employed in either material or intellectual production branches. In point of fact, the progress recorded by the big economic powers of the contemporary world could not have occurred in the absence of a strong and highly productive agriculture as a source of life and prosperity for the society.

Thirdly, the economic importance of the agriculture is determined by the fact that in many cases agricultural products bring in higher income than certain industrial products because the production costs are considerably lower than in industry. The favorable impact of biologial factors is responsible for the fact that whatever the technologial leel, the share of material expenditures in the overall production is far lower in agriculture than in other eonomic branches. In no other branch can a certain quantity of raw material (seed, for example) yield a finished product that is tens or hundreds of times larger in volume. Consequently, the agriculture will always produce a greater national revenue for an equal amount of overall production, a fact that emphasizes its importance for increasing the national wealth. For example, in 1984 while we obtained 37.7 lei of national revenue for each 100 lei worth of social product and 35 lei worth of net production from each 100 lei of overall industrial production, in the agricultural sector we obtained, for an equal overall production, 43.5 lei worth of net production. On this exceptional property of the agriculture is based the major orientation of the 13th congress directives--in direct continuation of the ninth congress directives--to ensure that the agriculture makes an increasing contribution to the national revenues and to the genral progress of the Romanian society.

Fourthly, agricultural products have a secure market not only domestically (where demand is very elastic), but also abroad, where the demand is amplified by the protracted effects of the international food crisis. For example, as far as grain is concerned, although the annual purchases of importing countries exceed 100 million tons, they are increasingly failing to meet growing internal demand, while the international food situation tends to deteriorate because of the poorer harvests recorded in certain years.

Despite certain fluctuations caused by the discriminatory policies of the imperialist powers, agricultural prices remain profitable in the international market, a fact that enhances the profitability of exports. Thus, in spite of the downtrend noted in recent years, the average selling price on the Chicago

Exchange remains higher than the prices commanded at the end of 1972 for both wheat and corn.

The importance of this basic branch is also attested by the functions of the agriculture in Romania's socialist economy.

The main function of the agriculture (which could be reduced or replaced only in the increasingly improbable case that organic matter could be produced synthetically) is to provide agricultural products and foodstuffs for the consumption of the people. Consequently, the level and rate of increase of the agricultural production is decisive for the living standard of the entire population.

Multiple Socioeconomic Functions

It is no mere coincidence that Romania is one of the countries with the most dynamic agriculture and fastest rate of growth of agricultural production. In particular, the per capita production of agricultural produce with the highest nutritional value has been increasing faster thanks to the stress put on increasing the production of cereal grains (from 316 kg in 1950 to 1,042 in 1984). This has permitted, among other things, to increase during the same period the per capita milk production by 70 percent, to treble the meat production, and to almost quintuple the production of eggs. This per capita increase in production has had a positive impact on the people's material wellbeing by increasing and improving the structure of food consumption, especially in favor of products that mark a qualitative change in the standard of living.

The flexibility of the agricultural production and thus the more important role played by Romanian agriculture as a supplier of produce and foodstuffs are attested by the increased volume of per capita disposable foodstuffs, which is now on a par with that of countries with an advanced agriculture, although the number of consumers has also increased. With its 3,343 average calories per day and consumer (while the international average is 2,652 calories), Romania is the equal of many developed European countries.

The need to reinforce this essential function of the Romanian agriculture at the present and in the future is particularly imposed by the structure of disposable protein foods (expressed in terms of daily grams per inhabitant) and by the level of disposable animal protein foods. Romania allocates 101.1 grams of protein per day and inhabitant, which is far more than the international average (68.9 grams) and even the European average (99.3 grams). Even the disposable animal protein foods (44.9 grams) are almost double the international average (23.3 grams).

However, in comparison to countries with an advanced agriculture, the per capita disposable animal protein foods in Romania are approximately twice as low; at the same time, animal proteins make up about half of the total disposable proteins. The combination of these two gaps--concerning the level and structure of disposable protein foods--make the demand for agricultural produce of a high quality very acute and increase the flexibility of the demand for agricultural products in our country. The opportunities for

increasing the supply of agricultural products in Romania up to the level determined by the requirements of a rational consumption are practically unlimited, and the agriculture has the important task of achieving a balance between the supply and demand of agricultural products and foodstuffs.

The program on a scientific consumer nutrition, worked out at the initiative of Comrade Nicolae Ceausescu, the party secretary general, is precisely designed to considerably improve the situation in this area in our country. Proceeding from scientifically determined physiological needs, nutritional value, edible and unedible components of foods, the specific traits of our agricultural production, and the eating habits of the population, the average annual per capita consumption was set as follows: 60-70 kg meat and meat products; 210-230 liters milk and milk products; 260-280 eggs; 16-18 kg fats; 170-175 vegetables and vegetable products; 3-4 kg legumes; 85-95 kg fruit and fruit products, and 140-120 [as published] kg cereal grains.

Compared to the average per capita consumption recorded to date, the established quantities ensure a more evenly balanced nutritional structure. Thus, the ratio of the various categories of nutrients in the structure of caloric consumption (set at 2,800-3,000 calories per day and person in 1985) will be: 13-16 percent proteins, 25-35 percent fats, and 50-60 percent carbohydrates, in addition to minerals and vitamins, in keeping with the requirements of a scientific nutrition for all the categories of persons.

On the basis of this program, a program of regional self-management and self-supply of the population was established in order to enhance the tasks and role of local state bodies for better and more completely utilizing all available resources and reserves with a view to ensurikng the necessary local production for meeting local consumer requirements and increasing the volume of produce delivered to the central state stocks. The regional self-supply program pays particular attention to manysidedly developing the livestock sector in order to fully meet consumer demand in keeping with rational nutrition needs. The implementation of this program means, as has been repeatedly stressed in our party documents and in Comrade Nicolae Ceausescu's speeches, that each agricultural unit, each farm, and each citizen that has some plot of land are obligated to cultivate the land and to produce for their own consumption and for entering into contracts to deliver to the state stocks or selling on the market.

Our socialist agriculture can and must assert itself more energetically as an important factor of manysidedly utilizing the production resources, primarily the land--the main means of agricultural production. The land is not only the main natural asset of the country, but also the decisive factor of agricultural production. It is the raw material that the Romanian people have had for thousands of years, a raw material whose quality has contributed to the development of a blossoming agriculture in our area, famous all over the world.

Land can be neither imported nor exported. It was and remains the solid foundation of the life and continuity of the Romanian people, who raised the practice of agriculture to the level of a traditional occupation. The territorial limitations of the land and the gradual and objectively necessary

decrease of the area of agricultural--particularly arable--land per capita, in the wake of the establishment of industrial projects, new urban settlements, etc., make it necessary to rationally utilize it by practising an intensive and manysided agriculture, in keeping with its position and role as one of the fundamental sectors of the Romanian economy.

Proceeding from the consideration that Romania has an arable area of about 0.42 hectares per inhabitant, which must suffice to produce all that is needed for appropriate consumer and other supplies, Comrade Nicolae Ceausescu in his speech to the expanded plenum of the National Council for Agriculture of February this year stated that not only must each square meter of land be rationally utilized, but measures must be implemented to raise the fertility and productivity of the soil with a view to enhancing the influence of the agriculture as one of the basic branches of the national economy. The land constitutes the national property of all the people, regardless of its formof ownership. As the party secretary general stated, "It is not the private property of anyone, but belongs to all the people and to the entire nation, and the society and the state are responsible for the proper management and utilization of the land."

As it becomes more closely integrated with other activities and as it begins to produce more intermediary products, the agriculture becomes more important as a supplier of raw materials for the processing food and light industries. Thus, the role played by the agriculture is decisive for the rate and level of development of an entire series of processing industries, which by definition cannot manufacture more raw materials than the agriculture supplies.

The increased function of the agriculture as a supplier of raw materials for the processing industry is reflected, for example, by the more rapid growth of the industrial food production in comparison with the agricultural production. Thus, as compared to 1950, in 1984 the overall agricultural production in our country increased almost 4.2 times over (at an average annual rateof 4.3 percent), while the food industry production increased 10 times over (at an average annual rate of 7.1 percent); at the same time, the textile industrial production increased 21 times over, the clothing production 31 times, and the production of leather, furs, and footwear 19 times over.

The integration of the production within joint state and cooperative agroindustrial councils, which permit a better utilization of agricultural raw materials, will increase the volume of processed agricultural products, thus enhancing the role of the agriculture as a supplier of raw materials for the processing industry.

As a supplier of production resources, the agriculture fulfilled and continues to fulfill diverse functions for the development of other branches of the national economy, primarily industry, construction, transportation, and services. Thus, because of the population migration from the country to cities, the agriculture was in the beginning an important supplier of manpower for other rapidly developing branches of material production (industry, construction, and transportation), and later for the area of services. In the 1950-84 period the number of people employed in agriculture dropped by about 3.2 million (its share in the structure of the population employed in the

national economy dropped from 74.1 percent to 28.9 percent). This means that the majority of the jobs created in the past decades were filled by able bodied persons coming from the agricultural sector.

The changes that occurred in the structure of the working population as a result of this migration have had a direct influence on social labor productivity, on the national revenues, and on living conditions. The transfer of a considerable manpower resource to sectors with a higher labor productivity raised its social level and increased the national revenues produced by the new jobs. Simultaneously, the absolute and relative reduction of the population employed in the agriculture had important repercussions on the level of productivity of agricultural work itself, because the area of land worked by each agricultural worker increased, mechanized work increasingly replaced manual labor, and thus the productivity of agricultural labor increased at a faster rate.

Nevertheless, as it is emphasized in party documents, the transfer of manpower from the agricultural sector must not be allowed to affect the needs of this basic branch of the national economy or to perturb the progress of agricultural work processes. Consequently, in the new conditions created by more limited resources of fossile energy and by the more rapid development of its production, the agriculture has acquired a primary place within the system of securing labor force. Thus, in accordance with the directives of the 13th party congress, by 1990 approx: ately 27 percent of the 11.5 million employed persons of the country will be working in the agricultural sector, which will be about 100,000 more than in 1984. Special stress will be put in the coming years on the qualitative aspects of the agricultural work force: a better age and sex structure; training 590,000 skilled workers; providing multiple training and closely linking education with production and research, and ensuring that people can practise several skills so as to be able to rapidly adapt to various seasonal agricultural operations, and so forth. All this will contribute to strengthening the role of the agriculture as a fundamental and decisive sector for the development of Romania's socialist economy.

The transfer of production resources from the agriculture also concerns financial means of increasing the fund of socioeconomic development. At the beginning of the industrialization period the agriculture fulfilled an important role as a source of accumulation for the development of industry. During that period, the direction of the flow of means of accumulation was from the agriculture to industry. However, the experience made by developed countries shows that during the stages of industrialization of the agriculture, which is possible only on the basis of a modern industry manufacturing production means for the agriculture, the direction of that flow is reversed: from the industry to the agriculture.

The function of the agriculture as a source of accumulation is expanded by foreign trade activities. The export of agricultural products is an important source of hard currency, which is necessary in order to import raw materials, machines, and equipment, to ensure an even balance of foreign payments, and to reduce foreign debts. That is why the directives of the 13th party congress specify that the implementation of the program on achieving large and stable crops is designed not only to ensure appropriate supplies of raw materials for

the national economy and for consumer requirements, but also to create disposable produce for international economic exchanges.

The modernization of the agriculture and the expansion and improvement of its technical-material basis encourage the development of branches of the processing industry which manufacture tractors, machines, and equipment, land amelioration installations, construction materials, means of transportation and telecommunication, etc., and act as an important incentive for developing this industry. At the same time, the growing demand of the rural population for durable industrial goods--designed to improve its living conditions--and for processed foodstuffs constitute and incentive for increasing industrial prodution and for economic growth in general. We thus note yet another reciprocal relationship: the growth of agricultural production stimulates industrial production, just as the latter constitutes a premise for the former.

In the conditions of the modern industrial society the socioeconomic functions of the agriculture are expanding. Thus, simultaneously with the deepening shortage of fossile energy, the agriculture becomes a more important fuel supplier (through biomass conversion, etc.). Similarly, as environmental pollution increases, the agriculture (although to a certain extents it, too, contributes to soil and water pollution) acts as a strong anti-pollutant factor and contributes to the restoration and preservation of nature.

The economic functions of the agriculture are complemented by its social and political functions. The peasantry--which in our country has become an homogenous class--constitutes a important force in the life of the Romanian society. Acting in close alliance with the workers class, the peasantry takes an important place not only in the area of material production, but also in the management of public affairs. In the current conditions created by regional self-management and self-supply, the alliance between the workers class and peasantry and between city and village is increasingly evident first of all in production and in the exchange of agricultural and industrial products.

Agriculture Within the National Economic Complex

In view of its economic importance and functions, agriculture asserts itself as one of the basic branches of the Romanian economy. Its position within the national complex may be appreciated from the angle of two categories of indexes: a) parameters concerning the agricultural production forces (the share of the agriculture in the utilization of the land, the structure of fixed assets, and the employed population), and b) parameters resulting from the utilization of the agricultural production forces (the share of agriculture in the social product and national revenues). Despite the difficulties created by the interaction among various sectors, the most representative indication of the position of the agriculture in the national economy is given by its contribution to the national income, which reflects the participation of the agriculture in increasing newly created assets, which are decisive for increasing the both the accumulation and the consumption fund.

The agricultural sector occupies an important position in Romania's economy. It utilizes almost 2/3 of the country's land stock, over 1/4 of the employed population, and about 1/9 of the available fixed funds. At the same time, our agriculture produces almost 1/7 of the social product and almost 1/6 of the national income, a fact that places it immediately below industry as the second basic branch of the Romanian economy.

Proceeding from the thesis concerning the contribution of industry to the technical modernization of agriculture and to more rapidly increasing the productivity of agricultural work, with a view to eliminating the essential differences between industry and agriculture and between city and village, and achieving equal working and living conditions throughout the national economy, the RCP--within the framework of its policy of socialist industrialization of the country--created a powerful industry manufacturing agricultural means of production. There is no doubt that without a modern industry to produce the means for agricultural mechanization and chemicalization, or to perform extensive land amelioration work, Romania's agriculture could not have developed so rapidly.

In the 1986-90 5-year plan the industry is expected to more intensively contribute to enhancing the role of agriculture as one of the basic branches of the national economy. For this purpose, the production of agricultural machines and equipment will supply the branch with multifunctional equipment. The entire line of tractors will be modernized and standardized on the basis of the 65 HP tractor, with a view to increasing productivity and reducing fuel consumption. The entire range of agricultural machines will be increased and diversified so as to permit the mechanization of all agricultural operations in the future. The production of chemical fertilizers will primarily expand the manufacture of liquid fertilizer and complex fertilizer with microelements. The growing production and pesticides will be geared on non-pollutant products with lasting effects.

As is noted in our party documents, a certain imbalance and contradiction have emerged within the process of building the comprehensively developed socialist society in Romania between the intensive development of industry and the slower development of agriculture (for example, in the past 5-year plan industrial production increased 21.6 percent at an average annual rate of 4 percent, while agricultural production increased 10 percent, at a 2 percent average annual rate). In order to resolve this contradiction resolute actions are required to more markedly develop the agriculture and to achieve a new balance and a new accord between industry and agriculture, proceeding from the principle that both sectors are decisive for building socialism and communism and raising the general wellbeing of the people, and that agricultural production can be increased more rapidly not only through investments and similar measures, but also by achieving a general change in the working, living, and thinking style of our cooperative peasantry. The new agrarian revolution--as the fundamental objective of the 1986-90 5-year plan in the area of agricullture--is precisely and mainly aimed at intensively developing the production, obtaining record crops, and on this basis increasing the contribution of the agriculture to the general development of the country.

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DATA ON INCOME, LOSSES FOR FIRST HALF 1986

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 1 Sep 86 pp 10-11

[Article by T. Dumezic: "Functioning of the Economy: Losses Rise, Savings Decline"]

[Text] Intersectoral and interregional transfer of income. Declared and hidden losses increasing. Individual incomes in the Slovene economy twice as high as in Macedonia.

The destructive effect of high inflation rates on the quality of economic operation, capital savings, and development and their effect on transfer of incomes at both the regional and sectoral levels are illustrated by the data of the SDK (Public Accounting Service) of Yugoslavia on the financial results of the operation of the economy during the first 6 months of 1986. The economy earned total revenue nominally 82 percent higher and income even 97 percent higher, while the average rise of industrial producer prices was 73 percent, that of wholesale prices of industrial goods 84 percent, the increase in retail prices 83 percent, and the increase in the cost of living 85 percent. The more rapid growth of income is the result of variable price increases and above all slower increase in prices of raw materials and semimanufactures (these costs increased 69 percent) and of energy (the nominal increase in energy costs was 55 percent).

Even this sharp increase in prices was not enough to offset all the inefficiencies in the economy, the abrupt rise of interest expenses, and the enormous increase in taxes levied on the incomes of persons employed in the economy. This is demonstrated by losses over this period, which amounted to 287 billion dinars (an increase of 97 percent), and the share of losses in earned income, which amounted to 7.7 percent. The actual situation is even less favorable. A portion of the losses is not even declared, being concealed by revaluation of stocks or original sources of financing for current operations, so that the needs for credit and interest expenses must also continue to grow. The losses not covered and brought forward from the previous year, totalling around 164 billion dinars, are to be added to the declared losses. The uncovered losses amount to 550 billion dinars; this is accordingly the extent of consumption not met on this basis alone.

Consumption at the expense of development. The sharp increase in income, which is real and not merely nominal, is due to a slower increase in the costs of raw materials and semimanufactures, primarily energy and electric power as well as petroleum. Somewhat heavier losses have accordingly been declared in these sectors. The total (real) increase in income was drained from the economy to finance the enormous increase in budgetary spending and spending by public activity special-interest collectives.

The amount of 1,318 billion dinars, 141 percent more than during the same period in 1985, was allocated to finance public activity special-interest collectives. Hence the share of these allocations in allocated income rose from 20.4 percent to 24.9 percent, that is, by 4.5 percentage points. Taxes on corporate and individual incomes rose even more, by 178 percent, and their share of allocated income amounts to 3.1 percent (during the first 6 months of 1985, the share of taxes in allocated income was 2.2 percent). Because of this growth, the allocations from corporate and individual incomes caused a relative decrease in the portion of income remaining for the economy. Of the 5.433 billion dinars representing income, 3.286 billion or 62.2 percent remained for the economy. During the same period of 1985, 66.5 percent of aggregate income remained for the economy. Hence the economy's share has been reduced by 4.3 percent this year.

A special form of income transfer of major proportions is represented by interest on credit. During the first 6 months of 1986, the economy paid 1,520 billion dinars (125 percent more than over the same period last year) exclusively in interest on credit for working capital. The interest on credit for fixed capital amounted to 223 billion dinars (an increase of 66 percent), and the aggregate interest paid in the economy reached the sum of 1,743 billion dinars. Over the same period, the economy earned revenue from interest in the amount of 706 billion dinars, so that the net drain from the economy on this basis is 1.037 billion dinars.

A complex transfer of income takes place on the basis of interest. The bulk of the income is acquired by the government (the National Bank of Yugoslavia) on the basis of interest on credit arising from primary issue of currency. The heaviest interest costs are borne by production activities, primarily industry and agriculture, while the greatest amount of revenue from interest is earned by service activities, primarily foreign trade and wholesale trade. The heaviest drain based on interest is from the economically underdeveloped regions inasmuch as the structure of sources of working capital is the least favorable in these areas.

Have payments eaten up savings? The sharp rise in allocations for budgetary purposes and for public activity special-interest collectives, together with the sharp rise in interest rates, proves that individual incomes are neither the only nor the main culprit in reduction of savings in the economy. It is true, however, that individual incomes have increased much faster than is allowed by the effective growth of gross revenue and net income. During the first 6 months of 1986, 2.034 billion dinars were allocated for individual incomes, almost 111 percent more than over

the same period last year. The average monthly net individual income amounted to 66,753 dinars, that is, 104 percent more than over the same period in 1985. Inasmuch as the cost of living has risen 84.6 percent, this has resulted in an increase of 10.7 percent in the average real individual income.

The total allocations from net income for the operating fund and promotion of the material base of labor amounted to 831 billion dinars, 45 percent more than over the same period last year.

Regional differences. The differences in degree of success in financial operation of the economy between the individual republics and provinces are constantly increasing. These differences are due partly to differences in economic structure, differences in share of original sources for financing permanent working capital, and to differences in product quality. The smallest growth of total revenue has occurred in Montenegro, Vojvodina, Kosovo, and Macedonia. The largest growth of total revenue is recorded in the economy of Slovenia and of Bosnia-Herzegovina. The differences are found to be somewhat different when increase in income is examined. The smallest growth of income is in the economy of Kosovo, Vojvodina, and Serbia proper, and the largest in the economy of Slovenia, Montenegro, and Macedonia.

The increase in territorial differences is the most pronounced in the case of losses and individual incomes. The largest increase in losses is observed in the economy of Bosnia-Herzegovina (152 percent), Slovenia (208 percent), and Kosovo (391 percent). A more accurate picture is obtained by comparing declared losses and earned income. Losses in the economy of Kosovo represent 23.8 percent of earned income, 21.9 percent in the economy of Montenegro, 10.8 percent in that of Vojvodina, and 10.6 percent in the Croatian economy, while these losses are the lowest in the economy of Slovenia, only 4.6 percent, despite the highest nominal growth.

The differences in the level of average individual incomes continue to widen. The highest average monthly net individual income is earned in the Slovene economy (92,313 dinars); this is 38.3 percent above the average for Yugoslavia. The lowest individual income is recorded in the Macedonian economy, 46,898 dinars or 29.7 percent below the Yugoslav average. Hence the disparity in average individual income level between the individual republics and provinces has reached the ratio of 1:2.

Table 1. Net Income Distribution

Item	Structure, percent	
	1 Jun 85	1 Jun 86
Net individual incomes	45.5	50.2
Taxes on individual incomes	17.5	20.5
Gross individual incomes	63.0	70.7
Collective spending for housing construction	3.6	2.9
Collective spending for other purposes	1.9	1.4
Aggregate collective spending in associated labor organizations	5.4	4.3
Operating fund and promotion of material base of labor	27.0	20.5
Reserve fund	4.2	4.3
Other purposes	0.3	0.2
Total savings and reserves	31.5	25.0
Net income distributed	100.0	100.0

Table 2. Average Monthly Net Individual Income per Worker

	Amount		Level Index		
	1 Jun 85	1 Jun 86	Index	1 Jun 85	1 Jun 86
Yugoslavia	32,657	66,753	204.4	100.0	100.0
Bosnia-Herzegovina	31,199	61,565	197.3	95.5	95.5
Montenegro	27,044	56,313	208.2	82.8	84.4
Croatia	33,873	69,379	204.8	103.7	103.9
Macedonia	24,128	46,898	194.3	73.9	70.3
Slovenia	41,582	92,313	222.0	127.3	138.3
Serbia less SAP	31,511	64,379	204.3	96.5	96.4
Kosovo	25,924	51,040	196.9	79.4	76.5
Vojvodina	33,162	64,207	193.6	101.5	96.2

Table 3. Losses in the Economy (Amounts in Millions of Dirars)

	Current losses		Share of declared losses in earned income		
	1 Jun 85	1 Jun 86	Index	1 Jun 85	1 Jun 86
Economy, total	195,922	386,657	197.3	7.6	7.7
Industry and mining	128,406	269,021	209.5	9.2	10.3
Agriculture and fishing	19,938	19,711	98.8	28.3	13.3
Forestry	156	559	359.0	0.4	0.8
Water power engineering	217	488	225.0	2.7	3.0
Construction	9,978	20,161	202.0	4.6	4.6
Transportation and communications	8,147	13,573	166.5	3.8	3.1
Commerce	3,339	18,496	553.8	1.0	2.5
Hotel industry and tourism	14,924	36,140	242.1	25.8	30.4
Handicrafts	1,315	2,513	191.1	1.7	1.5
Housing and public utilities	8,879	4,128	46.4	19.8	4.1
Financial and other services	622	1,866	300.1	0.6	0.9

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BURDEN OF EXCESSIVE STATE ADMINISTRATION DEPLORED

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 1 Sep 86 pp 15-17

[Interview with Dr Slaven Letica, professor of health care economics, Zagreb School of Medicine, date and place not given]

[Text] In times of economic growth and social crisis, in times of plenty and want, the government, that is, government bureaucracy, manages to find alibis, as well as ways and means of increasing its size and power. It is stronger even when it is "withering away." We discussed this phenomenon and some of its characteristics and its manifestations in our situation with Dr Slaven Letica, professor of health care economics at the Zagreb School of Medicine, UN consultant in this field, and one of the few open critics of our "social superstructure." Our editorial in the previous issue was devoted to this topic, and in the next issue we will undertake to examine it from different viewpoints. The interview was conducted by Ruzica Vuger.

[Question] The opening statement is in effect one of the basic assumptions made in your discussion. Would you comment on it in greater detail?

[Answer] During the period of our prosperity, that is, up to 1980, the government, objectively speaking, possessed enormous economic power. Before the so-called general governmental investment funds were abolished in 1965, government (federal, republican, communal) directly or indirectly controlled at least 50-70 percent of monetary and foreign exchange investment resources. Thereafter, in conjunction with banking administration, the same government gained control of virtually all monetary policy, including foreign debt policy. It sought public legitimacy for this control in development, that is, in major investments and the growth of public consumption, something which is best illustrated by the well-known slogan of the mid-1970s, "we are the largest construction site in Europe," which had an outcome we are now all too familiar with.

When the narcissistic nature of the "state socialism of abundance" came into conflict with market disturbances and want, when it was no longer possible to maintain even the illusion of "still more," it was very swiftly transformed into the "righteousness" of the new "state socialism of want," into the image of a distributor who guarantees "the same amount for all" (albeit a smaller amount) by means of coupons, crisis management headquarters,

social welfare cards, and so forth, and whose ambition is to extend his power of arbitration to goods, money, foreign exchange, personnel, rights, and freedom. In keeping with this concept is the well-known, almost pathological tendency toward creation of large-scale systems in which both business and personnel policy are almost entirely under government control.

[Question] You seem to regard the most dangerous conflict as that between the bureaucracy and the economy. Is that correct?

[Answer] The bureaucracy as a class of people who perform clerical office functions is necessary and useful, with several provisos. It must be rationally organized, come at a reasonable economic cost, be efficient in operation, and not usurp public power and authority by becoming a force which sets itself above man, work, self-management, law, democracy, the public, etc. However, our problem today, in my opinion even the basic one, is a bureaucracy which is enormous, costly, irrational and inefficient (we will say nothing here about bribery and corruption). I would even say that it is a danger to the interests and freedom of the individual, the economy, and the people. This bureaucracy, which for decades has battled enemies real and imaginary--enemies of the working class, the self-management system, democracy, and the state--has expanded the range of its own social ambitions and has forged the myth of its political blamelessness and ideological orthodoxy. At first it was dissatisfied with the government (for the most part with good reason), later warred with the technocracy (for many fewer true and many more imagined reasons), and today has the economy as its major problem.

"We are not satisfied with our economy," without hesitation asserts a respected bureaucratic phrasemonger, for whom the economic troubles are spoiling the idyll of daily meetings, speeches lasting half a day, constant partying, and routine ribbon-cutting.

Our big problem is that ideological interests have always outweighed economic and developmental ones in the organization of our self-managed governments--and we have five levels of authority vertically (local collective, commune, group of communes, republic or province, and federation) and six divisions horizontally (legislature, executive authority, special-interest collective government, legal system, political authority, and defense system). This explains the technological obsolescence, inefficiency, and inflexibility of our "state." It also suggests the conclusion that under our conditions a strong state leads to a weak economy.

[Question] There are also people who believe that our economy needs a strong and efficient state (with clearly defined powers, of course) rather than a clumsy and sluggish one.

[Answer] It is true that in an unconstrained public discussions the state is dealt with, to a greater extent than earlier, from positions whose exponents cannot be classified simply by the traditional classification as partisans of government control (state builders, advocates of increasing state power) and partisans of self-management (proponents of withering away of the state and strengthening of self-regulatory structures embodied in the market, the self-management system, and public power). Unfortunately,

the real dilemma of "a modern and efficient or outmoded and incompetent state" is once again being pushed into the background of the polarization over the most desirable division of power among governments at different levels, federal, republican, and communal. And while this situation persists, nothing stands in the way of growth of government power in overall social and economic relations, so that it is the economy that will continue to wither away rather than the state. State socialism is not willing at any level to turn over authority and independent decisionmaking to the economy. Freedom of thought, hunger for new ideas, freedom of initiative, and even a certain amount of "chaotic spontaneity" in operation through prompt punishment of the unsuccessful and generous rewards to the successful: these are characteristics of the progress of the modern world and the third technological revolution, and these bureaucracy does not allow.

[Question] According to what you say, our bureaucracy is even worse than others.

[Answer] A special characteristic of the "self-management official" is that he no longer has a master set over him. Real socialist and democratic bourgeois bureaucracy keeps masters as a part of the bureaucratic system. In one place this master is the private owner, in another it is the technocratic managerial team, and in yet another it is the government or party or trade union official. The existential dependence and latent fear of reprisal by the bourgeois proprietor forces this official at least to pretend to politeness, discipline, and diligence, and sometimes even useful efficiency. Our official has lost all masters and his fear of losing his "place at the table," and very often he has acquired a virtually unlimited mandate with respect to his beneficiary, for whom he is a "provider of services."

Another specific feature of our bureaucracy is its attitude toward the "letter of the law," this fundamental dogma of classic bureaucracy. Our ambiguous, imprecise, numerous, and often even contradictory regulations are a veritable "paradise of license" for the bureaucracy. Rather than simply implement the law, the bureaucrat assumes the right to "interpret" it and adapt it to circumstances. It is superfluous even to point out the possibilities of giving preferential treatment to or of depriving a particular beneficiary.

All this additionally makes room for exchange of influential connections and privileges, services and counterservices, given the "historical" venality and servility of the bureaucracy.

[Question] You also make reference to the specific features of "self-defense" by citizens and the economy against such a bureaucracy and the issue of a growing number of laws and regulations.

[Answer] Because of their instinct for self-preservation, citizens and economic organizations protect themselves from complete bureaucratic choking of real economic and social processes simply by not observing

regulations. The results are obvious, above all in complete nullification of the law and voluntary observance of law. This naturally works back in the direction of strengthening the bureaucracy to enable it to "check" this "lawlessness," "lack of discipline," and "irresponsible behavior." And we continue to be more willing to deal with the consequences than the causes. So it is that an attempt is made to "overcome" the throttling of the economy by bureaucratic routine and administration by limiting funds for general and collective consumption, with no changes at all in the structure and functions of governmental and quasigovernmental bodies. The outcome is always known in advance. The government (or quasigovernmental structures) will first experience a temporary financial crisis, and then balance will be restored between current disbursements and necessary revenue. In the area of so-called collective consumption there will also be a decline in the quality of services. Consequently, it is an illusion to believe that the economy is relieved on a long-term basis from the burden of social payments if there is no redistribution of functions and authority accompanied by commensurate reorganization of governmental and quasigovernmental services.

[Question] We often hear that growth of the "superstructure" is a normal pattern of development.

[Answer] We must by no means allow ourselves to be carried away by "comparable data" showing that the share of non-economic services in total employment is appreciably larger than ours in virtually all the developed countries except Japan. We must keep in mind that these countries also have a national per capita income several times higher than ours and that at our stage of economic development they had a much smaller share of "superstructure" than we do today. This is to say nothing of the fact that in Yugoslavia uneconomical employment has grown at high rates during these years of crisis, and moreover that additional employment in administrative positions nevertheless continues in the economy.

[Question] We have heard an economist say that the state bureaucracy is expensive to the economy not only because of its costs, but even more so because it requires an enormous amount of bureaucratic administration in the economy itself due to its intensive issue of laws and regulations.

[Answer] The economic bureaucracy is also by far the largest. According to 1980 data it consists of around 580,000 "purely administrative personnel" (accountants, treasurers, desk officers, administrative lawyers, department heads, and the like), a large number of so-called "other specialists" (mostly economists and lawyers with the sonorous titles of analyst, advisors, and the like, who are in effect purely administrative personnel) and a large number of "technical and technological specialists" (since what are involved are in effect administrative operations). Similarly, there are approximately 110,000 "labor organizer managers" and roughly 100,000 so-called security workers (doormen, security guards, etc.).

The employee census at the end of 1981 indicates that more than 26 percent of the employees in the Yugoslav economy are administrative personnel.

It is enough to point out that in the developed countries the figure is 10 to a maximum of 15 percent, and it is fairly clear what a burden our economic organizations must carry in terms of inability to compete when they leave their own precincts, and then there is constant addition to this burden out in society.

[Question] It is interesting to note that, according to the data you have assembled, this "pure government administration" (employees of the DPZ [sociopolitical collective] and DPO [sociopolitical organization] services) nevertheless has not exhibited an ongoing tendency toward growth.

[Answer] Over the intervening period of 3 decades (from 1950 to 1980) a certain decrease in this number was observed during the first 2 years. A gradual increase followed until 1962, after which there was a 5-year decline followed by repeated increases that have continued to the present. The government administrative apparatus has increased by a full 100,000 persons over the last decade, while it had grown by only 35,000 during the preceding decade. We nevertheless are not inclined to make the frequent oversimplified interpretation that this unquestionably attests to the rational organization of the state and political system based on the 1963 constitution and the irrational organization based on the 1974 constitution. We must also allow for the financial crisis of the public services and the government during the earlier period and the great pressure of the newly trained administrative personnel during the later one.

[Question] And yet it would be difficult to predict the jump between 1974 and 1978, when the annual increase in the number of new employees in these services rose to 19,000.

[Answer] There is no doubt, however, that two of the predominant reasons for the mushroom-like growth of the administrative apparatus in the Yugoslav governmental, social, and economic organism in recent years have been excessive organization (poorly controlled growth of various institutions, often to deal with identical questions and to produce findings of use to no one) and excessive regulation of social relationships and processes (along with decrease in the importance of all the traditional mechanisms of self-regulation such as the market, tradition, public criticism, and the like and their replacement by bureaucratic mechansisms).

Some 4 to 5 years ago the government concerned itself exclusively with writing laws (in 4 years the assemblies of therepublics each enacted 300 to 500 laws on the average), while the economy (and the non-economic sector) concerned themselves with organizational restructuring and with writing regulations. All 103,260 organizations (extant at the end of 1979) were organized or reorganized during this period, including 20,064 basic associated labor organizations (OOUR), 14,039 labor organizations with no OOUR, 4,157 labor organizations with OOUR, 338 composite associated labor organizations (SOUR), 4,727 labor collectives, 7,497 self-managed special-interest collectives (SIZ), 4,330 DPZ organs, 1,391 social collective organs, 19,930 local collectives, 3,001 sociopolitical organizations,

17,904 public organizations, 8,729 citizens' associations, etc. It suffices to point out that each of them has on the average only 10 administrative employees.

And the administrative personnel needs which generate the strong laws, regulations, and implementing documents are often wholly unreasonable. To give just one example, in order to apply literally all the provisions of just a single section of one republican law (the health care law in Croatia), every OOUR would have to hire at least two experts as administrative personnel to do this work. This law increased the need for 1,700 account clerks in the health care system. And there are large numbers of laws and obligations of this kind.

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VARKONYI ADDRESSES PUGWASH CONFERENCE

LD012002 Budapest MTI in English 1903 GMT 1 Sep 86

[Text] Budapest, 1 Sep (MTI)--Monday afternoon the Pugwash conference in Budapest continued in work groups discussing the impacts of the nuclear arms race on world policy and economy.

Following the closed sessions a plenary meeting was held in the evening. Addressing the meeting Hungarian Foreign Minister Peter Varkonyi stated: "We are convinced that a nuclear war can only have a loser, which is civilization itself. The Hungarian people and government have always showed great sympathy towards the movements working for averting the danger of nuclear war, as the Pugwash organization. Such an issue is the crucial issue of our age.

"In our opinion the only possible alternative to the arms race is disarmament. We are of the view that the present age demands us to examine security in a complex way, considering political, military, economic and humanitarian factors, and to look for solutions acceptable for all."

The foreign minister stressed that it fills the Hungarian people with confidence that at last year's Geneva summit the Soviet Union and the United States resumed dialogue. Due to the constructive Soviet efforts there has been a favorable shift in the relations of the two countries.

"The priority task of our foreign policy is to take an active part in the efforts aimed at peace, peaceful co-existence, and cooperation. Hungary, as a committee member of the Warsaw Treaty and the CEMA, takes a consistent stand for the averting of nuclear confrontation and for nuclear disarmament at all forums. Its positions always met the initiatives or the Pugwash movement."

Peter Varkonyi expressed his conviction that small and medium-size countries, making use of their specific conditions and scope of foreign policy actions, have serious chances even under the present circumstances to play a useful part in the preservation and building of an atmosphere of confidence which is indispensable for the maintenance of international dialogue.

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OFFICIAL CALLS FOR OVERHAUL OF JUDICIAL, LEGISLATIVE SYSTEM

AU311408 Budapest NEPSZABADSAG in Hungarian 30 Jul 86 p 3

[Article by Dr Jeno Laszlo, head of main department for preparation of statutes in the Ministry of Justice: "To Improve Our Judicial System"--passages between slantlines in italics]

[Excerpts] Our judicial system, which has developed in recent decades, has basically fulfilled its task successfully in safeguarding society and furthering social progress. The most important living conditions are regulated by modern statutes and other high-level legal orders. All this, however, cannot hide the shortcomings of our legislation.

The most apparent shortcoming of our legislation is that we often come short of expectations based on legal regulations and that law does not influence living conditions to the desired extent. Thus, our social and economic conditions do not always follow the order and bounds of expectations but take independent turns, sometimes even run contrary to them.

There are several reasons for the legal system's inadequate efficiency.

We, above all, not only condemn the phenomenon of so-called judicial overregulation because of its problems in quantity and lucidity, but do so because it unnecessarily includes in the sphere of governmental competence the living conditions that do not require statutory regulations, or which can be influenced more efficiently by other regulatory systems within society (morality, special interests, and so on).

One of the greatest virtues of the law is its predictability. However, if we realize that statutory provisions change often and without reason, this reliability is overwhelmed and the law cannot fulfill its function to influence social processes.

As a result of spontaneous judicial developments, our source of law has also been disturbed. Not even experts agree on what we call a statutory provision, in what forms it occurs, who the legislators are, how we should evaluate the so-called legal directives, what we consider as the latters' purpose, and so on. Neither have we solved the problem of the so-called issues of legislature: whether it is necessary to define those subjects that can be regulated by the statutes of parliament exclusively, and if so how.

And finally, it is necessary to mention the changes that have taken place, above all in our economic management system, and affected the foundation of the model of statutory provisions based on a hierarchical structural system.

These problems of our judicial system, which are far from fully described above, make it timely to carry out a comprehensive revision of our legislation, our activity of /preparing statutory provisions/.

It would help to solve the problems of legislation if we modernized by statute the system of the source of the law, the preparation of statutes, and the way they are made.

It has become a good practical method in the decades-old preparation of high-level statutory provisions to put their concepts and proposals to public debate. In the course of spreading socialist democracy, the importance of such debates and the role of social and special interest representation within lawmaking have increased. Therefore, the democratic methods of social debates must be developed and their assertion ensured.

It has often been mentioned but increasing the role of parliamentary legislation still needs to be done. The most important rules of social conditions must be made by parliament. In order to reach this goal it would be helpful if the law regulated those issues the regulation of which is exclusively made by the National Assembly. Such regulations could cover the following areas: fundamental decrees regarding the structure and operation of the state and its agencies' sphere of competence; the basic rules and institutions of social and economic order, including the state's economic activities; as well as the determination of guaranteed regulations referring to rights and duties of citizens and to the procedure of enforcement.

The competence of legislation by central agencies is not closely related to the activity of various corporations and communities creating their norms. However, in the course of developing our judicial system, we must count on the fact that the self-governing organizations and corporations will create several such regulations, often entire regulatory systems--such as structural and statutory rules, collective labor contracts, etc.--which would refer to their members' essential interests previously dealt with by central statutes. Not only is this characteristic of the relationship between the creation of norms by central and self-governing agencies, but it is also a fact that the lesson from the latter's activities can be profitable for central legislation. The process of increasing the scope of creating norms by self-governing agencies goes parallel with examining whether such activity corresponds to centrally-made statutory provisions. This is ensured by the growing role of this institution, the state's statutory supervision.

Further improving our system of the source of law, accompanied by increasing the standard for preparing statutory provisions, could make our judicial system more able to fulfill its social tasks.

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CONFERENCE ON SMALL COUNTRIES' ROLE IN WORLD ECONOMY

AU281133 Budapest NEPSZABADSAG in Hungarian 27 Aug 86 p 3

[K.J.-signed report: "International Economists Conference--The Small Countries and the World Economy"]

[Excerpts] A 2-day international economists conference began in Budapest on 26 August. At the conference organized by the Hungarian Economic Society and the World Federation of Hungarians, local and Hungarian economists living abroad are to discuss the relations between the small countries and the world economy, with particular attention, of course, on the adjustment of the Hungarian economy to the world economy. The conference was opened by Jozsef Bognar, director of the Institute of World Economic Research of the Hungarian Academy of Sciences, and then Rezso Nyers, scientific advisor of the Institute of Economic Sciences, gave an introductory lecture on the situation and prospects of the Hungarian economy.

In his introduction, Rszso Nyers pointed out that, although Hungary is a small country, this fact cannot hinder its prosperity and successful adjustment. International experiences also prove, together, the small countries represent a considerable factor of the world economy: in 1978, for example, 38 percent of the world trade was carried out by small countries, 10-12 percent by medium-sized countries, and 50 percent by big countries. In order to implement the possibilities, we must work out relations with the world economy that are seeking comparative advantages and are implementing these advantages.

Then, the lecturer dealt with the rate of economic growth and the development of the economy's income producing capacity. He said that the national overall production in the past 5 years increased by 9 percent, an annual average of 1.7 percent. With this increase, we kept in step with the EEC countries, where the annual average growth was 1.3 percent.

Speaking about our foreign economic relations, Rezso Nyers mentioned the fact that the process of balance improvement came to a sudden halt in 1985. Our hard currency debts increased slightly but the composition of our stock of debts improved. The problem is that a relatively big proportion of our export incomes must be allocated to the payment of our debts and this also limits our import possibilities.

Finally, Rezso Nyers spoke about the concepts related to the further development of economic management. He mentioned the introduction of the two-level bank system and of the stock market, as well as the planned changes in the tax system. The reform process is not only promiting the long-term adjustment but it is an inevitable condition for the acceleration of economic development on a mid-term basis too.

In connection with the improvement of competitiveness and the increase in efficiency, much has been said about the internal limits hindering development. Several experts attach great importance to the fact that low-efficiency areas in the Hungarian economy are being eliminated too slowly. The efficient enterprises which are capable of development must support the inefficient ones and this fact hinders the development possibilities of the former. Of course, the elimination of low-efficiency areas is followed by sociopolitical conflicts but maintaining the current situation does not solve these conflicts, it only postpones them and thus makes progress more difficult. Therefore, it is necessary to accelerate this process. The recently passed bankruptcy law is also meant to promote this process.

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BUDAPEST TV: FOREIGN POLITICAL FORUM ON VARIOUS ISSUES

LD041938 [Editorial Report] Budapest Television Service in Hungarian at 1805 GMT on 3 September 1986 carries the 1 hour and 35 minute-long program "Foreign Political Forum." The program is presented by Alajos Chrudinak with six other journalists in the Budapest studio making up the "Foreign Political Forum" team: Endre Gomori: Ervin Reti; Janos Hajdu; Endre Aczel; Jozsef Palfy; Janos Avar. In addition the program links up with Moscow correspondent Andras Sugar and with Washington correspondent Csaba Kis by satellite linkup. Chrudinak explains that Kis is joining the program in half an hour and will stay with them for approximately 30 minutes as the satellite linkup is expensive and that is all the time they can afford.

Chrudinak greets the viewers, gives the telephone numbers that viewers can use and states: there are no taboo topics; we will answer even your delicate questions. So far we have received about 400 questions on the telephone lines, in operation for the last 2 days, and by letter."

Chrudinak now reads out the first question phoned in by a viewer asking why Hungary cannot make agreements similar to the one which Bulgaria recently concluded for the manufacture of cars with the Renault firm. Jozsef Palfy, television newsreel raader, answers that as far as he knows discussions are in a very advanced stage with General Motors for the assembly in Hungary of some 60-70,000 vehicles annually.

Chrudinak then puts another viewer's question to Andras Sugar about whether there will be a further Reagan-Gorbachev meeting this year. Sugar replies: "Something tells me that there will. I do not know if you can hear my voice. Something tells me that there will be one. In order for there not to be one there would have to be some quite outrageous provocation."

Chrudinak reads out the next question which a viewer has put by letter: Whether Reagan is not too old to run once more for president. Janos Avar, a journalist answers that the problem is not his age, but the fact that the constitution does not allow election for a third time. It would take a very long time to change the constitution.

Chrudinak says that another viewer asks Endre Gomori: "Whether we Hungarians will take part in the Seoul Olympics. What does the Hungarian Government think of the olympics taking place in the two Koreas, since as far as I know this is banned by the regulation of the International Olympic Committee?"

Gomori replies: "Well, as a well-known sports political expert what I would say is this..."

Chrudinak interrupts: "That is why we asked you to answer this question."

Gomori continues: "...that we definitely wish to take part in the olympics. Our official stance is that we support the demand of the DPRK that certain branches of sport, or certain events--and in this respect I would formulate the question in a different way from the questioner--should take place in the DPRK. As a matter of fact, it is on the whole cities which get the olympics, and in practice they usually take place in several cities of the same country. In this special case it is conceivable that it should be split among several cities of a country divided in two. But I would remark that I take this to be a political issue and the experiences so far show that the matter is a function of the world political situation. I am confident that, and perhaps I am even convinced of the fact, that the conflict-curbing apparatus, and in particular the conflict-curbing apparata of the two world powers, will at that time function sufficiently effectively to make it impossible for the olympics to be frustrated from a third side."

Next Chrudinak answers a written question about whether there will be a Kadar-Ceausescu meeting in the near future.

"My information is that a meeting between Janos Kadar and Nicolae Ceausescu is not on the agenda at the moment, because the conditions--I suppose--do not exist at this moment. There has, by the way, been a Hungarian-Romanian summit meeting before. You may remember that one took place in Debrecen and Nagyvarad Oradea 9 years ago. Agreement was reached then on more than 20 issues. Unfortunately, only two or three of these issues, questions have been realized. We Hungarians would like many things, but this does not only depend on us."

Chrudinak continues with the next question addressed to Ervin Reti by many viewers: "Will the Americans attack Libya again, and if the answer is yes, what will the USSR do? Why is Colonel Al-Qadhdhafi accused of terrorism?"

Reti replies: "This is three questions in one, and if there is anywhere where it is difficult to predict and forecast things, that is the Middle East. The relationship between Libya and the United States is an equation with at least two unknowns. My view is that the Americans are not likely to attack Libya now. This was indicated by the trip of Walters, the U.S. special envoy. The Western allies have distanced themselves. And in the Arab world, where the Americans are to some extent speeding up events, such an attack would cause problems.

"As for the Soviet attitude--it's best to cite Soviet sources here. Demichev said in Tripoli the day before yesterday that the USSR is in solidarity with Libya--in words as well as in deeds. This solidarity in deeds was demonstrated by the fact that on the previous occasion of an attack they cancelled the meeting between the foreign ministers. At the same time, the Soviet ambassador in Cairo stated that of course this does not mean automatic military intervention. I am thinking here about the complex nature of the military balance of power between the superpowers in the Mediterranean.

"As for terrorism, the Americans cite here mainly Libyan statements, statements by the news agency and by the leaders. They are unable to point the finger at actions--and this is what the allies also said."

Reti then addresses Chrudinak: "You are especially familiar, I think, with the rhetoric of the Arab world, how extreme it tends to be."

Chrudinak replies: "You are referring to Al-Qadhdhafi's speech of the other day."

Reti continues: "But I could also quote Sadat who in 1971 said that it would be a decisive year and nothing happened. And I could list just about all speeches by Arab leaders."

Chrudinak queries: "And you think these are taken seriously in the United States--is that what you are getting at?"

Reti concludes his reply: "The United States wants to take these things seriously, and they want to force Al-Qadhdhafi into the trap, to a certain extent, of making ever more extreme statements. This is the problem and the danger, to a certain degree."

Ghrudinak puts the next question from viewers to Janos Hajdu: "When will we also finally get mineral oil more cheaply from the Soviet Union?

Hajdu begins: "Well, I would start the answer by asking: Why, who is already getting it more cheaply?"

Chrudinak elaborates: "Well, what the Soviet Union sells on the world market."

Hajdu then continues: "Yes. Well, on the world market the Soviet Union has sold, and is selling, at world market prices. In the case of the CEMA countries, as the esteemed questioner and the majority of the audience no doubt know, this was not the case. The Soviet Union and the CEMA countries, on the basis of the so-called Bucharest price principle, calculated a 5-year average price, which for many many years was favorable for us because we did not pay the world market price, but less than that. Now, since the oil prices have caved in, since then we have been paying more than the world market price. Thus, it is unfavorable to us. Actually, it is a typical example of the way in which a community which ideologically and in a historical dimension belongs together, and an alliance of political interests, such as the CEMA

and the Warsaw pact, can in such specific issues also get into a fundamental contradiction of interests. For it is in our national interest that we should purchase cheaply; while it is in the interest of the Soviet Union to sell dearly. The Soviet Union's losses, as a matter of fact, if the Western data are correct, are nearly $7 billion in consequence of the fact that they want to sell Soviet oil more cheaply in the West.

"Perhaps we should also draw my colleague Andras Sugar into the conversation and ask him if he sees any willingness in Moscow that if the Hungarian Government will make an attempt--as I am sure it will make an attempt--to buy cheaper oil, whether it will fall on willing ears? Will there be any political arguments, interests, which will make this justified, or will there not?"

Chrucinak explains: "In other words, whether the Bucharest oil price, which seems to be outdated, will change?"

Sugar answers: "Unfortunately I can neither deny nor confirm this speculation, whether the Bucharest price principle will be revised. What is certain is that our industry's production costs, because of the present relatively high oil price, have worsened; therefore, our situation, our competitive situation, has worsened on the world market. Whether this point of view will be appreciated in the Soviet Union or not, will be seen in the future. As a matter of fact we put this question at the Soviet forum in February to academician Bogomolov, who then gave the reply that when the Bucharest price principle was advantageous to us, to us Hungarians, then we supported it; as soon as it becomes disadvantageous to us we would immediately like a better treatment. So, I can neither deny nor confirm that there will be a revision here."

Chrudinak says: "Apart from this, I have the information that probably this Bucharest oil price principle will be modified. That is to say there is some news to that effect. Actually, I let you...."

Hajdu interrupts: "This does not only apply to oil; this was a delayed entrance in connection with world markets prices in general. Now, as far as we know, it is intended to modernize the whole mechanism of the CEMA and evidently in the framework of this the price issues will also come up for consideration."

Chrudinak explains: "I heard a very interesting piece of news on the radio a few days ago. I should have told you this right at the start, but I allowed you to answer the question. Deputy Foreign Minister Dunai said that at the moment we buy oil from the Soviet Union at the level of the international world market oil price. Which means that if we bought it at the port of Rotterdam then it would get to us at a cost of $17.50."

Hajdu interjects: "The very expensive oil; what we buy at world market price is the oil in excess of--in excess of the agreement."

Chrudinak asks: "That means, then, that the Bucharest price principle does not apply to this?"

Hajdu replies: "It does not apply to the quota."

Sugar says: "I would like to make one more observation. Well, obviously at that time too it was a political decision, that this Bucharest price principle came into being. And this came into being then so that the smaller socialist countries should not be swept into a crucial situation by that very unfavorable turn of the world economy. It will be the economic historians who will one day tell us whether this was a correct solution or if, by obliging prices to rise, we exerted a negative effect on our attitude, willingly or unintentionally. I say once again, this is a question for economic history. Whether the Soviet leadership will perhaps once again consider the situation of the socialist countries, of the smaller allies, from a political consideration, so complex and difficult that it will be willing, from such considerations--I stress once again, not from economic but from political considerations--to change the Bucharest price principle, in my modest opinion, the possibility of this is in the air."

Hajdu adds: "I would mention that the Bucharest price principle to a certain extent represented a compulsory way in its original form already, which was justified in part by the shortage economy, in part by the lack of currency convertibility, and other economic factors. Besides this must not be ignored that here we are talkong not only about the level of prices but also about the fact that we do not have to pay for oil in hard currency. Therefore, this was a positive factor in the Soviet oil purchases within the quota--and will remain so."

Chrudinak then says that he must correct his previous blunder regarding Imre Dunai who is not deputy foreign minister but is deputy minister of foreign trade. He puts the next question from a viewer who asks: "In our country, the personality cult was successfully eliminated, 30 years ago. What is the reason, why is it allowed at all that in certain socialist countries--I think he means the Warsaw Pact countries--power is concentrated in the hands of one single person? Endre Aczel, you have not answered yet, is it not true?
Aczel replies: "I have not answered, and it is an honor for me to get the only question of a theoretical character. My opinion on this is that certain parties have not been able, or wanted, to draw for themselves the lessons which have been drawn by others, most, the great majority of those in power, I might say, in part with the experiences of the Soviet Union, in part with their own experiences. In my opinion, the damage is overtly apparent, and in many cases difficult to repair, which has been caused to the state's and the party's democratic life by the idolization of persons, and before long, dynastic conditions.

"At such times, legality usually is shaken; a kind of voluntary economic management gains strength and takes hold, and alongside that, I feel that the breeding ground is quite good for the nationalist and chauvinist ideologies.

"The work related to the winding up of the personality cult here at home, in our country, was completed by the MSZMP in 1962, with its resolutions passed then, which in part were supported by the resolutions of the 22d CPSU Congress. It completed it in a manner such that it made the moving away from personality cult irreversible. I believe that the lasting guarantee of this at present and in the future too, can only be the development and further development of socialist democracy including here the reforms of the political institution system. I myself would never be able to agree with the reasoning that the personality cult is objective, unavoidable at a certain stage of development. I believe that it is not possible to believe in the logic of self-torment or self-destruction, especially not in their idealization. I can say that much."

The program continues with a question on why pictures of the rescue operations after the Soviet passenger liner accident were not shown on today's Budapest television "Newsreel." The editor-in-chief of "Newsreel" says that only pictures which arrive via international news exchange can be shown, and Jozsef Palfy confirms thatno shots of the rescue operations had arrived today. Chrudinak directs the next question about whether the Pope will visit Hungary to Palfy:

Palfy replies: "I believe that I can say what you said earlier about a possible summit meeting, that it is not on the agenda. The conditions for this do not yet exist, they are not ripe. I think that there is a practical reason, too. When there is no head of the Hungarian Catholic Church, after the death of the late Laszlo Lekai, and when it is probable that the appointment of a new archbishop--Archbishop of Esztergom--will only be the result of a long procels, there is no one who, I might say, would receive him as a host."

Janos Avar then answers a question on what a small country like Hungary can do in foreign politics and whether there is a characteristic Hungarian foreign policy at all: "I think that any of us would be competent to answer. There is a Hungarian foreign policy. A small country has a possibility--in my opinion the small and medium-sized countries have more and more possibilities. As a matter of course it is an incorrect thesis that the world's fate is controlled by two great powers, like on a chess board, and everyone else just gazes at it. This is not permissible; the leaders of precisely the small countries must not accept this, and there is no justification for it. There are periods when, for example, the relationship of the two great powers is bad, as we have experienced in previous years. Then, diplomacies have emerged in eastern Europe and western Europe which were active in the period; they maintained dialogue, in a certain sense, they even risked setting an example, but in any case they endeavored to preserve east-west contacts, the level of contacts achieved in Helsinki. And I must say, I do not like the expression that history proved this right, but we can establish that about our own diplomacy with rightful pride."

Chrudinak continues with the next group of questions, from many viewers about the Soviet reform, the economic development programs. The questioners ask what progress is being made in the Soviet Union at present in the realization of the reform; and how the social classes, strata react to them?

One viewer says she heard on the "Panorama" program that many people in the state apparatus, in the state bureaucracy oppose Gorbachev's reform endeavor and she asks who are they, and why are they afraid of the change? Other viewers ask what the Soviet leadership is doing to overcome bureaucracy and what has happened since Gorbachev said at the party congress that those who are unfit to lead must leave. Chrudinak directs the questions to Andras Sugar who replies:

"As regards where they stand in the implementation of the resolutions, in a few days it will be exactly 6 months, a half year, since the congress ended. I believe--and we cautioned about this then--that it would have been naive to expect these things to go through to the end in a half year's time, or even one year's time, since the tasks of the reform are astoundingly large. If Szechenyi's [early 19th century Hungarian reformer] reforms needed years to be realized amidst much less consequential circumstances in Hungary at the time, then imagine hos enormous the tasks are now in the Soviet Union.

I would say that the laying of the foundations is underway, but I would caution against all kinds of impatience. No matter where we look, if, for example, we look at the extent to which the enterprises are able to manage independently, then we run into issues such as the issue of prices that are not realistic, not in proportion to value. The mountains of state funds which tower everywhere. So first, a price system must be created. Then, for the simple workers a system of economic incentives must be created which accurately coordinates individual interest with social interest. The situation must be created where the hands of the enterprise managers really are not tied, where the bureaucratic, administrative organs do not protect the enterprises, the collective farms. The foundations have been laid in this, so I would not say that in half a year some kind of enormous, spectacular progress might have occurred--but no one soberly expected that.

"As for the brakes. I believe that it was the question of Maria Darvas [phone-in viewer] who hinders progress and why. The statement of academician Vaslavskaya, for example, was heard in our program before the congress, in our film "report from Moscow." He said that there are very many decent people amongst the workers in the middle governing organs who sympathize with the country and who would really like there to be a reform. However, this medium as an entirety, as an enormous group, in essence is linked, with its interests, to what has been. They have grown accustomed to the old system of management. They do not willingly change over to an entirely new system requiring much more thought, much more independence. So there are such brakes."

Chrudinak tells Andras Sugar that he is taking too long a time in answering the questions posed to him, and asks Endre Gomori to add his remarks and then the program must continue or there won't be time for other questions.

Gomori adds: "The only remark is who are the people who oppose it? I read something that was very apt some months ago. Yegor Ligachev, one of the members of the CPSU Politburo, supposedly said at a meeting of party activists, that the problem is not with those who perhaps oppose what we are doing, and openly say it, neither with those who perhaps keep silent but oppose it. The greatest

problem is with those who in appearance approve, but in the meantime act so that it should not be realized. I believe that it is a very apt formulation."

The next question is about how it has been possible to considerably raise wages in the Soviet Union, at a time of economic difficulties. The response is that there has not been a significant wage increase in the Soviet Union.

Sugar then remarks: "There were two questions which I did not have time to answer. One of them was overcoming the bureaucracy, and the replacement of people who are unsuitable.

"Bureaucracy is not an issue in which a person hinders a social process because he is a bad person, but bureaucracy simply consists of a great number of statuses whose occupants, holders consider it to be their task to intervene in economic issues. There has been such an example in our programs, when a peasant raises cattle, sells them to the state, but has 10,000 rubles' revenue, and for this reason the district organs stop it, in order not to undermine the moral of the kolhoz. Therefore the issue at hand is an old, dogmatic outlook, which must be contended with. So the people of the bureaucracy write figures from one paper to the other, and several million people subsist from that. It will be very difficult to overcome that and Gorbachev merits all respect for undertaking it.

"The other is the replacement of the unsuitable people. That is taking place on a very, very large, mass scale. We know that there have been, for example, court sentences, and there have been retirements everywhere. That too is a long process, because it will take some time until it passes through the enormous country, from Khabarovsk to Uzghorod."

Chrudinak then asks Janos Avar to comment:

"If I may, I would add that I do not consider it circumstantial that simultaneously with the reform endeavors in the Soviet Union, Gorbachev is doing so much to strengthen the institutional system of social openness. For definite historical reasons, social openness has not been amongst our strongest aspects in the traditions of the socialist countries. And in my opinion, the function of mass communication in developed socialist societies is far from clear. Gorbachev now is doing a lot to connect the social control function of mass communication to the processes. That is, no matter how unskillful a person might be, if he is replaced in such a manner that the people do not understand why he was replaced, then the whole thing is not worth anything. The same applies to bureaucracy. Bureaucracy is not made by bad people, as my colleague, Sugar, very cleverly remarked. It springs from an institutional system about which Endre Gomori just spoke in another connection. So it is a very complex and compound game.

"In a certain sense, perhaps it would be proper for us to take it into consideration, that a social traditional background hinders the process, so that by no means should we be allowed to enteriain illusions that tomorrow morning the Soviet Union will be a country of an entirely renewed, changed aspect. The Soviet Union generally has been able to preserve its fundamental values

and fundamental ambitions amidst very difficult circumstances too. I, rather, am keeping my fingers crossed that it should be able to realize somewhat more easily, at the cost of less effort, the endeavors which historically are progressive."

At this point an unidentified voice turns to the topic of wage rises in the Soviet Union, saying that the people involved in scientific-technical development there need material recompense and interest in order to work successfully.

The questions continue, with a viewer asking Andras Sugar whether it is true that Brezhnev's son, a deputy minister, has been dismissed and if so, for what reason?

Sugar replies: "I can state that Yuriy Brezhnev has been dismissed from his post of deputy minister of trade-but the reasons were not given. He was nicely pensioned off, without any humiliation. At the same time a colleague of his, deputy minister (Sushkov) was arrested and charged with large-scale smuggling. But as I say, such a charge was not made in connection with Brezhnev's son."

Chrudinak presents the next written question, addressed to Endre Gomori: "I like the new courageous and direct Gorbachev line. The proverb 'a new broom sweeps well' benefits him. He simply sweeps aside the outdated methods and unsuitable people. This is why I take the courage to ask a brave question: Fortunately there is no Cold War, no Iron Curtain. So why is there such a close restriction of movements in the USSR, which hinders a larger-scale development of Western tourism, which would bring in hard currency?"

Gomori answers: "Well, I would say, that my colleagues have already answered the question partly. In other words, we are at the beginning of an historic process, and 6 months after the beginning of this historic process we cannot expect it to cover all details. And this is one of the details. I would add, however, to cheer up the questioner, that since the Krushchev era, there has never, in the USSR, been such a planned change, of fundamental proportions, which Gorbachev himself considers, and refers to as 'of revolutionary significance.' This is, of course, on a radically different level and amid radically different circumstances. I would also add, partly to supplement the remarks of my colleagues who spoke before me, that this is an exceptionally difficult process, and not necessarily a popular one, because--partly--it offends vested interests; interests with deep roots and numerous contacts."

Chrudinak remarks: "Group interests, presumably?"

Gomori adds: "Perhaps they are even broader than a group. And in a certain sense it demands great sacrifice. The point I would like to make--and this is not just a Soviet issue--is that the reform in reality has no alternative in the long run, that is, in the historical perspective, and although some populist approach to problems might be more popular, in reality this may lead back to the slowing down of the reform endeavors. And we also know--from our own positive

experience--that the reform policy has progressive, political and social effects, influencing people's everyday lives; and in the same way the slowing down or even reversal of the reform policy can have politically retrograde consequences."

After the discussion on Gorbachev's reforms the panel was asked why Reagan and Gorbachev took their annual leave at the same time. Janos Avar explained that the two leaders do not arrange their holidays to coincide; August happens to be the month when relatively little is happening in world politics; hence the choice.

Chrudinak then presents the next viewer's question: "Has the style and outlook of Soviet foreign policy changed, because it seems to the questioner that ever since Gorbachev came to power Soviet diplomacy has become much more active and flexible?

"I presume many of you will want to speak on this. Let me say, that in the past years Soviet foreign policy conduct has indeed altered, visibly and substantially. This is partly because today, in the nuclear age, there is a need for a new way of thinking. This is one of the reasons why the style of Soviet foreign policy has also changed. Today the saying which we often quote, namely that war is an extension of diplomacy by other means, is no longer valid. Obviously it does not apply to nuclear war; it is invalid.

"The other reason for the change in Soviet foreign policy, in my opinion, is that the internal economic and social change, renewal, has top priority in the USSR. This is a fundamental reason.

"Here is Gasaba Kis, on the line from Washington. You can join the debate in a moment, but let me finish my thoughts first.

"So I was saying that domestic policy has a primary role, and foreign policy serves the domestic policies. This means Soviet foreign policy must create the international conditions which serve this domestic policy. So they must negotiate, mutual concessions have to be made--and we are witnessing these as the USSR has also made concessions in the past year and a half--and the two sides must move closer to each other. Compromises are needed because without compromise--proclaims the foreign policy of the USSR--there is no agreement, no accord. I feel that Soviet foreign policy has moved toward this, to recognize and take into account the interests of the other side, too. This means that Soviet foreign policy and also Soviet policy must accommodate Reagan and all those who follow him."

There then follows a linkup with Csaba Kis in Washington and Andras Sugar in Moscow. Kis is asked what American citizens think of Gorbachev. Kis cited U.S. opinion polls showing that 60 percent of Americans take Gorbachev's proposals seriously, despite concentrated counter-propaganda. Kis does not completely agree with the presenter's argument that the fact that Soviet foreign policy has to support domestic policies is something new. An unidentified member of the panel also makes a point here:

"We who deal with this matter in our profession--and let's be open about this--were rather embarrassed when prior to Gorbachev taking office, we reached such a point in the deterioration of Soviet-U.S. relations, that the then head of Soviet diplomacy once said that the foundations for negotiations had disappeared. The attitude of the United States has made all further rational negotiations impossible--he said.

"Now the reason we were troubled by this was the fact that since 1917, that is, the moment of its birth--in a situation much worse than today's, in situations when it was outnumbered, when the whole world really encircled this lonely state; those who have read history can refer back to the early 1920's--nobody had ever said this. On the contrary, from the most impossible situation the USSR reached Rapallo. So it blew to pieces the Western camp which was hostile to it. So it was difficult to interpret this statement, that "the foundations had been destroyed.' In any other way thatn that it was a sign of some kind of tired helplessness.

"This has now disappeared, this is no longer the case. Soviet diplomacy has new initiatives every day. This is the fundamental change."

Kis interjects: "Yes, this is true, but the change in U.S. policy has also played a part in this. What is a fact, however, is that--if I remember correctly--there are 11 different Soviet-U.S. negotiations in progress at the moment; on different topics, from regional questions to the question of disarmament. Let me remind you that discussions between disarmament experts, which began in Moscow, will start here, or rather continue, the day after tomorrow. The U.S. Administration tries to talk about these negotiations with a kind of exaggerated, conscious, optimism; in order to convince the American public that despite the Reagan Administration's toughness, inflexibility, U.S. policy achieves its goal; it is not forcing the Soviets to negotiate; the USSR is forced to negotiate because it has internal economic, and perhaps political, difficulties. But in general the White House treats this whole question with an exaggerated optimism.

"But I don't think the matter is as simple as that. The United States has made certain concessions--temporarily. But on some key issues their attitude remains unchanged."

Chrudinak asks Csaba Kis to answer the next question as to whether there are any debates in Washington as about how to deal with the Soviet Union--in other words, what sort of tendencies clash in the United States?

Kis replies: "Let us stay with the debates inside the administration, because these are the important ones. After all, it is these which play a role in the development of decisions. The American press and politicians in general distinguish two main tendencies. One of these is supposedly represented by Secretary of State Shultz and a few White House advisors. Interestingly, more recently the new national security adviser, Admiral Pointdexter, is regarded as also belonging to this tendency. The other sime comprises first and foremost the civilian leadership of the Pentagon, that is, Defense Secretary Weinberger, his deputy, and the head of the CIA.

"The fundamental difference between these tendencies is that the line represented by Shultz is willing to reach a compromise on various issues. Interestingly, this does not apply to all issues; for example, on the question of Libya, at times Shultz demanded a much tougher policy than Weinberger thought was realistic. But it is generally thought that as regards the Soviet Union, the secretary of state favors compromises to be reached via diplomatic negotiations and the defense secretary opposes any sort of compromise, in particular regarding the so-called Strategic Defense Initiative, that is, the 'Star Wars' program."

An unidentified participant responds: "However, things have to be seen in a proper perspective. Ever since 1969, when SALT got under way, there has always been a wing favoring agreement and a tough wing. Let us just recall Kissinger's debates."

Chrudinak queries: "Are you saying that this is just an act?"

The unidentified participant replies: "No, this is not what I am saying: There are genuine differences but the wing favoring an agreement in general benefits from the fact that the tough line also has adherents. The wing can refer to the hard-liners when asking Moscow to make concessions. This is a complex game. It can also be noted that the struggle behind the scenes at times takes up more time than the negotiations with Moscow. Kissinger said in 1972 that he was negotiating more at home than with Brezhnev."

Chrudinak asks: "How is this seen in Moscow? Andras Sugar."

Sugar replies: "Well, the old line-up of hawks and doves is still there. Unfortunately, President Reagan is himself an extremist. He himself said that to be an extremist in the defense of liberty is not something to be ashamed of but rather is something to be proud of. However, there are those who are even further to the right than Reagan; for example Richard Perle, who recently sat down at the negotiating table with the Soviets and who, I should imagine, represented his own position. The position of the Soviet Union is that as far as possible the hawks must be disarmed. However, just as the speaker before me pointed out, there is an interesting situation whereby it is the doves who refer to the hawks when they want to extract some extra compromise from the Soviet Union. Thus, the barriers are considerable, since there has not been an American Administration as hawkish as this one during the past 30-40 years. I think that this is something that everyone in the studio would agree with."

Chrudinak adds: "Bovin said in the most recent "Studio Nine" program on Soviet television that the Reagan letter did not amount to a step forward and was just an empty letter. He added, however, that he could be mistaken. This program was shown a week ago in Moscow. Does this mean that in Moscow as well there are different approaches as regards what to do--whether there should be conditions set for holding a summit or whether the summit itself is an achievement?"

Sugar answers: "There is no precondition whatsoever. The date of the summit will probably be decided when the foreign ministers meet. The Soviet position is very simple and does not contain any preconditions. This position is that there is no sense in them smiling in a friendly manner for the cameras, shaking hands and then going home. The peoples of the world expect much more from a meeting like this. Thus, it must be prepared so that the meeting should lead to some sort of result. Of course, it could be said that there is no point in traveling to the summit if the agreement has already been reached. But their presence can only lead to further agreements. However, the United States Government has to show some sort of goodwill for this whole thing to come about. In other words, this is not a precondition but a desire, a request to the United States to show some sort of goodwill at least, for example by joining the moratorium, or if not that, then to show a more concilliatory attitude on other issues."

Chrudinak continues: "What sort of further concessions does the United States expect from the Soviet Union and, in reverse, what does the Soviet Union expect from the United States in order for a compromise to come about, in so far as there is a wish in the United States to reach a compromise?"

Kis answers: "One would have to survey all the various topics in the sphere of disarmament to explain this in detail. Let us briefly run through the most important issues. As regards the limitation of strategic armaments, the United States would have set a very high limit; it offered a reduction of 50 percent. According to the latest reports, which, by the way, have not been confirmed by the White House, but it has not denied it either, they regard a 30 percent reduction by the two sides as acceptable.

"As regards the medium-range nuclear weapons in Europe, the question is not so clear, but the American Government has retreated a long way from the original goal. Of course, it has still not moved as far as the original Soviet proposal. Thus, at the present time the Soviet Union is not willing to compromise concerning the British and French nuclear weapons.

"On the question of a ban on nuclear tests, the American Government at the present time is trying to focus on the question of verification. The Soviet Government shows a great willingness to make concessions in this sphere. Thus, for the moment the Reagan Administration finds it rather difficult to go back on its earlier conditions but it is trying to set new conditions.

"The greatest problem is with the Strategic Defense Initiative. That certain Reagan letter mentioned by Andras Sugar..."

Chrudinak interpolates: Do you agree with what Bovin said about it?"

Kis replies: "I agree in so far that if what the papers have leaked here about the letter is right, in practice this amounts to nothing. Reagan has offered a period of 7½ years during which he would not deploy nuclear weapons in space and would not bring about an earth-based defensive system contrary to the SALT agreement. The system could not even be completed during this

period, thus this does not amount to any sort of concession. The Soviet Union proposed a period of 10-15 years during which the first SALT agreement would be maintained: This is much more realistic because by that time a defensive system could indeed be deployed."

Chrudinak brings Sugar in on the discussion, who says: "I think that there are some reserves in this postponement of about 7 years. After all, who knows who will be the president of the United States by then? Who knows what new group will occupy the White House after two elections? This is not an entirely hopeless stance."

An unidentified participant states: "Even if an agreement does not come about, they will still not deploy and probably there will still be a new president. In that case, why bother?"

Another unidentified participant responds: "On the other hand, the United States is asking the Soviet Union for a reduction of 50 percent or 30 percent of strategic weapons."

Another unidentified participant remarks: "This is a rather good position for negotiations; at any rate, in my opinion this is not the worst possible position."

Chrudinak continues: "Our colleague, Bovin, has said that he might be mistaken. Let us regard this as a poetic formulation. He wanted to permit himself the possibility of being mistaken because obviously among the reasons for the Reagan letter is the fact that the world took a great deal of note of and appreciated the Soviet decision on the moratorium on nuclear tests, the prolongation on a number of occasions, and it is also obvious that as regards this 7-year proposal by the United States, on the one hand, as has been said, they could not even realize it in 7 years, this is no doubt so but, on the other hand, the fact that the United States says and promises that it will not carry it out is something else again. Thank God, even without an agreement there is no nuclear war. The SALT II Treaty has, by and large, been observed by everyone so far, even though the Americans have never ratified it. But the world would feel better had everyone ratified it. Here are the reserves which have been indicated by Andras Sugar from Moscow.

"We began our program by saying that there will probably be a summit this year and if it does not come about, this will be because the two sides will not only smile at each other."

Reti observes: "I think we have to say as our point of departure that at the present time we are to some extent in a transitional situation. By this I mean the struggle for position, the tactical struggle concerning the negotiations, the preparations for the summit, the Soviet-American talks on many fronts, the fact that there is a press conference in Moscow every day, that the dynamism of Soviet foreign policy has accelerated to a tremendous extent--this can be regarded as a formal matter but somewhere this is also a matter of substance. What I have in mind is that at yesterday's press conference, for

example, the spokesman stated that they continue to be in favor of a complete moratorium but that they evaluate positively the American Congress resolution to ben under certain circumstances explosions of one kiloton."

Chrudinak states: "From 1st January."

Reti continues: "In other words, tests involving explosions of less than 1 kiloton could still be carried out. This is not what the Soviet Union aims at, but in a given situation will evaluate it positively if the American Government will also accept this."

Sugar adds: "Let me just say two more things in connection with the Reagan letter. First, earlier Reagan said that he did not even want to discuss this topic, namely, the SDI. This is the first time that the door has opened, at least partially, a little. Second, let us not forget that the Reagan letter was addressed to Gorbachev and after receiving the letter Mikhail Gorbachev said that there were the matters in it that were worth considering. Well, who is the authentic reader? However much I respect the views of Bovin, or of any one of us--but if Gorbachev considers it worth considering then we must also regard it as such."

An unidentified participant says: "I would like to add something here, perhaps because this has not been said so far. I think we ought to be careful not to mislead the viewers. What has not been said here is that in fact there is a rapprochement between the Soviet Union and the United States, in contrast to a long period earlier on. The work regarding the compromises is going on and these compromises will come about. To that extent we have to support the optimism shown by Andras Sugar. If he thinks that there will be a summit then there will be compromises as well presumably and one can assume that these are being prepared at the various forums. But the rapprochement is there--this must be stated--and in my opinion everything else follows from this."

The program turns into a roundtable discussion, with the participants constantly interrupting and contradicting each other's statements. Kis' line from Washington is broken off due to a technical fault. Asked what role Western Europe could be expected to play in the process of East-West detente, the opinions of members of the panel vary. Some say that Western Europe has always followed the U.S. line, citing NATO communiques to support this argument. Others are more cautious, pointing to the recent renunciation of the SALT II by the U.S. which was widely condemned in Western Europe.

At this point the speakers cannot be identified.

The discussion continues with an analysis by an unidentified speaker of current Soviet diplomatic endeavors who says: The world is still polarized into two groups militarily and the Soviet Union is now striving to place the political viewpoints in the forefront. What it seeks is a dialogue with the leading West European powers leading to satisfactory agreements on the bigger issues of world politics. These countries are able to exert an influence and even pressure on the United States. He adds that in Soviet diplomacy the small countries' role in forming world politics is being given a new emphasis.

From Moscow Andras Sugar comments that the Soviet Union is ascribing an enormous significance to the British, West German, and Dutch stances: It is possible that Reagan himself, or Donald Regan, his unofficial prime minister, do not pay much attention to the opinion of the Europeans, but these are very important matters."

An unidentified person says: "For instance, that is why the Soviet Union made the gesture, or the concession, to Britain and to France not to include the British and French strike force in the European medium range missiles."

Another unidentified person says: "They were placed in new parentheses", then several voices are heard at once rendering the passage indistinct.

Another unidentified person says: "My information is different from this. To the Soviet Union the French and British strike force will never be a matter of indifference. It is simply a question of the fact that the Soviet Union wishes to establish a unified, if you like a Western, ceiling; and it wishes that within this the British and French qualitative development should remain below the ceiling, in terms of quantity. But that it should not go over the ceiling. For, after all, if the British, for example, implement the Trident modernization program, then their present missile force will increase manifold. This is not a matter of indifference to the Soviet Union."

Churdniak says: "These missiles are aimed not at the West but at the East."

To this an unidentified person responds "yes."

Chrudniak now reads out another viewer's question: Why is French tv being privatized? Jozself Palfy recalls that de Gaulle had placed television into state control, realizing its importance. This control has been gradually eased since then.

The next questioner asks why consular discussions were broken off recently between Israel and the Soviet Union. An unidentified speaker outlines the Helsinki discussions, stressing that they came to an early close because Israel tried to push political issues into the forefront of the talks, emigration issues, in such a way that the Soviet Union considered these to be an interfrence in its internal affairs. He goes on to say that meetings are nevertheless held between the foreign ministers of the two countries almost yearly.

Another viewer asks how many Jews live in the Soviet Union and Chrudinak responds he thinks there are 2 million.

Chrudinak says another question is: "Towards whom does China gravitate more: the Americans or the Soviets?

Avar says: "To China," which is met by laughter. He continues: "As it happens, Endre Gomori has written a book about this question. I would be happy to comment but I would let him give the reply."

Chrudniak responds: "What I thought was that you have been a correspondent in China...

Avar interrupts: "Yes, but I did not write a book about it.

Gomori says: "So, China has always considered itself historical as the middle realm. This has bedome so to say, a big national conditional reflect in the course of thousands of years. I do not think that this could be changed in the short term. Therefore, I agree with Janos Avar when he said, very strikingly, that China represents China, represents itself. However, going a little more deeply into the matter, I would add that in Chinese diplomacy and foreign policy there have occurred certain changes of shade in this matter. Therefore, today there is no longer any question of something that was being voiced a good many years ago, that China was the strategic ally of the United States. Nor is there any question of the formulation that China is keeping an equal distance from the two world powers but that the more dangerous, so to say, for China is the Soviet Union. I am of the view that at present the principle of keeping equal distance is being asserted in Chinese policy, but without the above-mentioned subordinate clause."

Avar then says: "I would argue with Endre Gomori on one point--just a moment--that it is not a change of shade. This is more than a change of shade in Chinese policy."

Gomori responds: "All right, I take it back; it is not a change of shade. So, I would just add that what is most important in the treatment of this whole problem is the necessary recognition that China is a world power which can no longer be expected to stand behind any other world power in world politics. Therefore, it has to be reckoned with as an independent factor.

Chrudinak relays a viewer's question on being delayed for 17 hours at the border with Romania by Romanian customs officers. He asks: "Has the Government of Hungary taken any steps to ensure that this untenable situation is resolved?"

Janos Hajdu replies: "As far as I know, the Hungarian Government has informed the Romanian Government about the untenable nature of these border control situations. This problem also comes under the list of agreements reached at Debrecen and Nagyvarad, which have in 1977 not been fulfilled. And my opinion on this point is that one would hope--not just as a Hungarian citizen but also as a European--that within the foreseeable future the same sort of balanced conditions should come to exist on the Hungarian-Romanian border as, for example, those on the Austrian-Hungarian border, especially because Romania and Hungary proclaim identical ideological goals."

Chrudinak then proceeds to answer the following questions: "Are Egypt's financial relations settled with the Soviet Union; I am thinking of the Aswan dam construction and the earlier Soviet arms purchases? They are not settled. Egypt owes the Soviet Union about $5 billion, for which it asked an extension, then it suspended it. I have spoken to the Egyptian minister of economy,

who said that this will have to be repaid when they have the money, he said." He adds: "As a matter of fact Mubarak has a similar problem vis-a-vis the United States as well, because, similarly, Mubarak is unable to repay the loans, the money, granted by the United States. Do you think it conceivable that Mubarak could be pushed into an anti-Libya war? I do not believe so; he was available for this show of strength, but Mubarak's regime is not so stable that he would embark on such an action, though who knows? What is Syria's role in the Middle East settlement? Can one expect the opposing forces in Lebanon to reach an agreement one day? I will not answer this question now, because I am off to Syria and Lebanon the day after tomorrow, and I will be coming back in 2 weeks' time and then I might speak about this in more detail."

He then reads a viewer's question about the Bos-Nagymaros barrage system: Why did Hungary sign the agreement, and who has the greater benefit from it: Hungary or Czechoslovakia? An unidentified speaker in the studio refers to a discussion of this topic some time ago on the regular Sunday evening program on Hungarian television, "The Week." On the basis of that report he stresses that it is in Hungary's interest to honor the agreement that was signed long ago, although Hungary's current economic situation is such that if the agreement were to be signed today it would probably not be urged.

The next question from a viewer concerns the need for Hungarian citizens to obtain visas for travel to West European countries: Why can we not do something to make travel possible without visas, as in the case of Austria? Jozsef Palfy replies that the obstacles are all on the Western side. However, he says he believes that more and more countries will follow Austria's, Finland's and Sweden's example. Another unidentified speaker adds the comment that there are Hungarian endeavors in this regard, but they are not urged to the same extent by all the Warsaw Pact countries vis-a-vis the NATO countries.

The presenter warns that the program is drawing to a close. He reminds his audience of the question early in the program asking whether Hungary will take part in the 1988 Seoul Olympics. He says that since that question was put many viewers have telephoned asking if in any event the Seoul Olympics will have full participation. He now asks the experts in the studio and the two correspondents to vote yes or no on this issue. They do so, and the score is six "yes", two "no" and one "maybe".

In conclusion Chrudinak says: "Thank you very much for your attention and for staying with us. I have just been notified that we have received more than 1,200 questions. Unfortunately, we were unable to answer them all; we answered 78 questions in all, as well as the debate which took time from the answers to the questions. But we will answer the other questions that were asked. As before, Jozsef Palfy guarantees to devote to this purpose a few pages in MAGYARORSZAG."

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POST-CONGRESS INTERVIEW WITH LOCAL PZPR SECRETARY

Olsztyn GAZETA OLSZTYNSKA in Polish 26 Jun 86 pp 1,3

[Inteview with Jan Laskowski, PZPR 10th Congress delegate, 1st Secretary, Olsztyn Voivodship PZPR Committee, by Karol Krus and Roman Wachowiec: "Thresholds of Awareness and Proactivism"]

[Text] [Question] We had attended a meeting between delegates to the Congress and worker aktiv. Unfortunately, that aktiv was unaware of certain problems. Comrade, at that time you declared that one reason for our difficulties is the awareness barrier. Certain workers confirmed this in their comments.

[Answer] We face a couple of barriers that are objective and subjective at the same time. And in assessing the present situation an allowance must be made for them. [Poland's foreign] indebtedness is an objective barrier. We won't overcome it soon.

[Question] From the standpoint of the average citizen that indebtedness is remote history.

[Asnwer] But it still is burdening us. An objective and at the same time subjective barrier is materials and energy. Their supply can't be expected to grow markedly. This factor retards development.

Another issue is the demographic situation, as it exists. Yet resource management is not univesally rational. And lastly, there is the awareness factor. If it is changed, then, at the same time, following the feedback principle, latent potential can be utilized.

[Question] In social awareness, as need not be particularly surprising, many concepts are confused. It is often difficult to determine whether instances of poor performance are due to mismanagement or to objective conditions.

[Answer] I received two petitions addressed to deputies [to the Sejm], concerning the differences in rates for municipal services to cooperative, communal, and private dwellings. These petitions were sent by the WPZZ and the Self-Government Council of the Inhabitants of Olsztyn. It turns out communal and cooperative apartment owners pay little for municipal services, whereas in cooperative-owned buildings the fees for garbage removal and water supply are

high. I can't understand this. This should be thoroughly checked out, although undoubtedly this problem does exist.

[Question] Reverting to that meeting with workers, one of them declared, "While from the class, worker standpoint these issues are just, there exists though the bureaucratic-allocation barrier. For example, the Lidzbark State Farm cannot purchase anything from the Ornecka AGROMA [Agricultural Machinery Factory] so that it has to make its purchases in distant Ilawa.

[Answer] Yes, that was one of the views being voiced that are necessitating the adoption of a new concept of the function, so to speak, of discrete parts of the economy and its entirety.

[Question] In the state everything should happen legally, in accordance with the rule of law and regulations. But regulations do not always seem rational.

[Answer] The party must also strive to change regulations which hinder progress. Economic regulations may be justifiable during a given period of time, during which they may promote development and initiative, but there comes a moment when they become obstacles. Hence the conclusion that if the system for organization and management during that stage does not pass its test then it should be revised.

There exist various ingrained habits, such as that regionization to which intermediate elements had become accustomed in the past and which they strive to maintain because it is convenient to them. Here's another latent potential. And this should not be glossed over, although certain groups practically demand praise.

[Question] If they have good reason.

[Answer] Of course, if the group works well. But if the public's assessment of its performance is not completely positive, such a group should not demand plaudits and instead it should consult together with me or with other comrades about what it is doing poorly. No offense should be taken, and the discussion should be based on the merit of the case. Unfortunately, some people regard conversations of this kind as a reprimand, although it is still far from being so. This is not a question of harassment or of lack of respect.

For example, there was a report from a factory stating that the movements of official prices do not offset the growth in production cost, and hence only 12 million [zlotys] is left for development. The factory is being bankrupted by taxes. It paid [an income] tax of 122 million but it also has to pay a FAZ [Plant Activation tax of 172 million. It thus turns out that it is not taxes but the factory's own decisions that make life difficult for it, because it has decided that its workers are not earning enough and should get higher pay. After I had received that misleading report, I asked for more information. After all, I know how to read. Yet the factory's workforce is convinced that the tax is its main misfortune.

[Question] If this is the mindset of some individuals at the party echelon, then that too is how they present the issue to the workforce.

[Answer] Inflation is continually hanging over our heads, and there is also the pressure of the public and the workforces for higher wages, because, naturally, everyone wants a better life. No one is opposed to high wages, provided they are linked to output. An alternative to a tax system limiting an excessive rise in wages is the return to wage ceilings, which certainly wouldn't be a good idea. Some people are awaiting voices clamoring for such a return, because they desire the restoration of the command economy system. Many people don't love the economic reform, although formally they don't oppose it. If we want to implement this reform completely, we must stick out this difficult period. In this connection, a question that arises is why isn't the labor force surplus being discharged? For this would be a way of obtaining the funds needed for wage raises. Here too problems arise.

[Question] Maintaining the employment level points not only to the expectation of better times to come but also to the hope that these people [the labor force surplus] will besome day needed. More likely, this is being done to keep peace.

[Answer] In practice, carrying out such a maneuver is quite complicated. There always exists some stubbornly resisting group that includes not only those whom the reduction in force affects personally. The notion is that it is unfair when a person has devoted many years of his life to his workplace and then is riffed. People say that the workplace has no respect for the individual. Considerations of this kind cause regulations to be restrained. This can be understood, but it can't be justified, because in this country unemployment is not a problem. Perhaps this matter should be handled on a scale broader than that of a single enterprise, so as not to create a feeling of menace.

[Question] The role of the state as the guardian with the citizen and the enterprise as its wards, to which we are accustomed, continues to be a suffering role and it is difficult to surmount psychological barrier. Whenever something goes wrong, some agency will come to aid, provide some discount or tax relief, etc. On the other hand, there's no expansiveness in actions.

[Answer] If an authentic misfortune occurs, aid should be given. Such things happen in economic processes -- after all, decisions are never 100 percent correct. In economic activities allowance should also be made for incorrect decisions. The picture is extremely complicated. We have enterprises which are doing excellently.

[Question[But instances of pathology also occur. In our opinion, tolerance of distortions is a barrier.

[Answer] Tolerance of such cases should be ended once and for all, and condemnatory actions should be encouraged.

[Question] In general, everyone is in accord on this issue, and this is being said so at all kinds of meetings, but the impression produced is that people want to treat this as an abstract issue.

[Answer] All this is devilishly complicated: everyone is in favor, but it would be best if somebody else were to resolve the matter. Best of all, let the superior authorities resolve it. I don't know how to call it. Perhaps I should call it double morality. Consider, for example, that two or three factories in Poland are responsible for supplying certain goods. No one evaluates these factories or asks the opinion of their managers or self-governments; instead it is the minister orxx the state committee that are consulted. And yet any plant possessing monopoly over the production of some goods should itself analyze and determine the demand for them. Plants must learn how to operate flexibly.

[Question] In this country we have long since adopted the conference system of decisionmaking, which is being increasingly criticized.

[Answer] Conferences, meetings, public discussions are needed, if only for an exchange of views. But it is not good when people expect of a conference or a meeting that it will definitively solve some problem or other. It's worse still when the organizer of the conference believes that his work is finished. Following a conference, the most that can be expected is that more or less convergent views and recommendations are worked out. Then there's another problem: Our information is that all kinds of associations and societies convene regular conferences during work hours. This is a misunderstanding. This should be investigated more closely. In many places I listened to criticism of such practices. It is good that people perceive what's wrong.

[Question] Another issue is that the official declarations made at conferences often diverge markedly from what is being said offstage.

[Answer] This does happen, and that's a highly important issue. Honestly, I could never understand it. Essentially, if I'm familiar with a particular issue and perceive that the so-called highest authorities handle it in an erroneous manner, it's not only my right but also my duty to declare that I am in disagreement.

It sometimes happen that such familiarity with an issue is based not only on personal experience but also on knowledge of how this affects the local community, and in this connection there may arise a divergence in assessment and views between the higher-level authority and us. This is a natural occurrence and no reason for taking mutual offense. Sometimes, individual experiences conflict with collective experience. For example, there's the conflict between the issue of conversion to less energy-intensive technologies and the problem of cement production. When the wet method of cement production is employed, coal consumption is much higher. And since energy is conserved, we take the decision to close those energy-intensive cement plants without first preparing new cement plants for operation, with obvious consequences: there's simply no cement. The balance sheet must be complete. From the standpoint of the energy expert this decision is absolutely correct, but from the standpoint of the construction investor or builder it is incorrect. The decisionmaker is in the situation of having to take a decision. That decision may be for or against, but in either case it is bound to be criticized -- should the cement plants be closed, some people will complain about the cement

shortage, and should they be kept open, others will complain about the waste of energy. The decisionmaker doesn't have much choice, does he?

[Question] In this country problems still are being solved under the influence of too much sloganeering.

[Answer] I wondered why the conversations at the POP [plant party organization] were so effective in getting the tasks outlined very concretely. By the same token, when spurring the proactivism of party members is mentioned, the principal question is how? Once the Congress takes decisions and determines the direction and mode of action, the only thing left is for us [local party activists] to determine our tasks and get busy at every level, down to the level of the individual party member. The main thing is to spell out specific tasks.

[Question] We desire faster progress. Shouldn't we pay more attention to not only specifying tasks but also deciding how to implement them, by what methods? Isn't the party paying too little attention to this?
[Answer] This is another issue that we should raise at the Congress. You may have noticed that some people view [job] certification as a task for the enterprises only. But that's not the idea.

In a normally organized enterprise, structures and employment are regularly reviewed. This is a component part of every plan. But this is being done only at self-respecting enterprises. Following the Congress, the party should initiate a review of its structures, solutions, functions, and needs. A review from top to bottom, from the Government level to the brigade level, and in many planes at that.

[Question] We're discussing problems that might seem simple and prosaic but are of vital importance to the nation's future. If we want to create new technologies and enter the 21st century, trivial obstacles to progress should be eliminated.

[Answer] One such issue is the review and ordering of structures, competences, and information handling, as well as the identification of dispensable or less needed elements. Here there's a need for a mighty will in order to accomplish this properly rather than in a make-believe fashion. We expect many opponents.

[Question] They'll outnumber the proponents.

[Answer] Every innovation has more opponents than proponents. The minority must be strongly committed in order to convince the majority. This will require tremendous tenacity. Every change of organizational structures is a struggle. I believe there's something to review here. There are too many middlemen and intermediate elements in the supply and merchandise system. The related vested interests will of a certainty argue that they are indispensable. This is a cardinal issue which must be tackled, but on a longterm basis rather than all at once.

[Question] The several years that have elapsed since the reform was first introduced were supposed to result in some restructuring of the economy.

Unfortunately, little of this has happened.

[Answer] Everyone claims that his plant must remain in the form in which it has existed up till now. To me it's obvious that the next steps to be made will involve an arduous struggle. This may sound banal, but the old doesn't give way to the new without a struggle. The party must head this struggle, guide it, search for allies, and convince its own ranks.

[Question] We don't have the time for any longterm struggle against the old.

[Answer] Yes, but haste may lead to a situation in which one becomes a General without troops, which are left far behind. This is a question of the party's responsibility and its ability to formulate properly specific goals, that is, to translate principles into the language of concrete action: you should do this and you that.

[Question] This should be one of the things expected following the Party Congress.

[Answer] I expect the resolutions to be formulated in that spirit. Of course, in the nature of things, resolutions have to be couched in generalized language. But we shall undertake such measures tenaciously and in the awareness that this isn't a question of 3 or 6 months but one of hard work over a longer period of time. This has to be regarded as a process. In my opinion, a majority of various elements will turn out to be dispensable and merely requiring minor cosmetic coordinating operations. In order to avoid having resolute opponents, because this may be dangerous, measures that would at the same time the mood of stability are needed. If we disband a social or economic organization which contributes little, or whose functions can be exercised by someone else at a smaller cost, then here and there must occur some process of increase. If such an overall balance sheet is conducted, with the possibility of utilizing the skills and qualifications of personnel, then the element of threat is gone. If some are not for it, they do not have to oppose such actions.

[Question] Won't we make such measures less radical out of fear of making resolute opponents?

[Answer] I'll not say that we won't have such problems, but this is really not the party's intention. Sometimes it is indeed difficult to distinguish between what is deliberation and what common opportunism. Some might advance the argument of deliberation but their real purpose is that of wanting to avoid trouble and putting things off. This is more or less that mentality of the mediocre against which we are struggling. To be in the middle is supposedly good. How can it be good? It's not good; it's just mediocre. In many matters we're indeed above mediocrity, because we aren't content with the average, and I don't refer to personalities but to effects. It turns out that wherever the mentality of the mediocre is overcome, there the effects produced are better. In some domains also the effects produced are worse than mediocre. This ensues not only from general conditions but also from human mentality. A man might reason that he's in the middle, doesn't stick his neck out, so he's safe. In many teams this kind of mentality has been eliminated. The will to

act, to work, is growing. When this voivodship is considered, it can be seen that in many communities prior to the 10th Party Congress civic deeds have been initiated by various organizations and individuals. We hadn't even propagandized the notion of things getting done that have to get done. Those whose task it is to organize work are often surprised that so many people desire to work. This inspires optimism, because more difficult problems can be resolved if the mindset is positive. At the same time, it is necessary to eliminate individuals who devote their energies to explaining what went wrong. Of course, objective difficulties also exist, but if just one-half of that effort were devoted to exploring the solutions, the results would have been much better. Raising the threshold of proactivism, the threshold of will, is of crucial importance.

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PZPR VOIVODSHIP SECRETARIES MEET

Warsaw TRYBUNA LUDU in Polish 12 Aug 86 p 2

[Text] (PAP) Regional conferences of PZPR voivodship secretaries were held during 6-11 August in Bydgoszcz, Lodz, Bialystok and Katowice, on matters involving organization.

At these conferences, which were conducted by the director of the CC Organization Department, Stanislaw Gabrielski, experiences were exchanged on the dissemination of the achievements and documents of the 10th Congress, and tasks connected with the reports-elections campaign in the party were discussed.

The conferees said that the party echelons and organizations have already begun various worthwhile forms of action, directed at making the entire party, the workforces and the community, more familiar with the text of the 10th Congress resolutions, and especially with the concrete tasks ensuing from them. According to the schedules which were approved, this work will be conducted at an even faster pace in the immediate future.

The reports-elections campaign, which is to begin in September and is aimed at preparing all party echelons, organizations and members for concrete and efficient implementation of the Congress' resolutions, will have an especially important significance in this connection.

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CHURCH, STATE COOPERATION ON ALCOHOLISM URGED

Warsaw POLITYKA in Polish No 32, 9 Aug 86, p 6

[Article by Andrzej Mozoleski: "An Opportunity"]

[Text] The church has designated another August as a month of sobriety and has called for pledges. It goes without saying that this appeal is worthy of approval. The state use all means at its disposal to change sobriety from an oddity to a national trait; this is a rare opportunity for completely harmonious cooperation of the broadest possible kind. It would seem that the combined forces of both powers would work miracles. Unfortunately there are no miracles at this point. The consumption of both vodka and beer has increased and if wine has not, it is only because of insufficient imports.

One might suppose that both sides are doing everything to change the catastrophic state of national alcoholism, expressed in a doubling of vodka consumption over the past 15 years. The church advocates total abstinence, hich admittedly seems a hopeless act on a public scale, but can be effective for individuals. One need not completely rule out the possibility of group action; we once had the Eleusis society and the sober scouts and earlier, in the 19th Century, the temperance societies that, not without help from the clergy, saved the nation from total drunkenness.

A much more realistic plan, as far as its scope is concerned, is urging the faithful to give up alcohol on Catholic holidays and feasts. One hears here and there of alcohol-free receptions for First Communions; in certain rural and small town communities, any other behavior apparently meets with public disapproval. Weddings and funerals, unfortunately, seem to hold with tradition. But as we know, there is no point in expecting rapid, spectacular success in this field.

The state, for its part, has rolled out the guns of its anti-alcohol laww and it is watching scrupulously (which does not always mean effectively) that it be obeyed. There are fewer and fewer liquor stores--one often has to put out a real effort; repressive measures against drinking at work--and illegal trade in vodka--have increased sharply and in extreme cases, I would say, even to excess. Propaganda and educational activity are intense. Only the base of addiction therapy and psychiatric care (where the patients, as we know, are

mainly alcoholics) is still very poor, which must be attributed to the numerous shortcomings of our health care system.

Despite all efforts, one still sometimes encounters the notion that the state does not really care about fighting alcoholism, but rather that it holds on because of deriving profits from it or simple "to the nation's ruin." It is hard to fight stupidity, especially when it is overgrown with obstinacy. Nevertheless it is worth giving some thought to where the basis for making such judgments comes from. It happens, not infrequently, that restaurants or cooperative stores see financial rescue for their struggling economies in the sale of alcohol. (I will not go into the reasons, which could be inept management, but also the paltry profit margins that push our trade into last place in Europe). And so they perform various manipulations in order to increase the sale of alcohol. In addition, the producers of the liquid known as fruit wine (an intoxicant especially favored by drinking youth) are trying to make as much of it as they can, although we can recall the promise that this production would be eliminated. It also happens that the representatives of the institutions called up to watch over obedience of the alcohol law look leniently on human alcoholic weakness, whether from inborn tolerance or for the material benefits achieved. Because for an average citizen every socialized institution personifies the state (if not socialism itself), every confrontation with antics of this kind prompts some people to say "they."

Well, anti-alcoholism activity means plowing unusually rocky ground. One cannot give up any means of moving this matter forward. So there can be no doubt that a truly auspicious means is mutual help and friendly cooperation of all social forces, including representatives of the clergy and representatives of secular, administrative institutions. The communique from the spring meeting between Gen Wojciech Jaruzelski and Primate Jozef Glemp expressed these possibilities. It is necessary to make full use of them. Especially in August and even more so afterward.

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SIMPLISTIC PRESS PROPAGANDA ASSAILED

Warsaw ZYCIE WARSZAWY in Polish 9-10 Aug 86 p 8

[Text] Jacek Waloch talks with the editor-in-chief of PA Interpress, Wojciech Pielecki, and this is what Pielecki says:

"It appears that as a result of what has happened in our country over the last few years, to the normal reader who is not involved in the large scheme of politics, who is concerned with the everyday problems of making a living, the persuasive-declarative type of publication has seen its day. I am referring to the type of journalism which employs vague generalizations, a broad style of showing a problem, often enhanced by all kinds of statistics. In short, the persuasive type of propaganda is now obsolete. People are now more convinced by specifics (...).

That is why "heavy" reporting--which many fear--if skilfully edited, becomes a propaganda weapon. And this is a weapon which also helps to build national accord, or a positive attitude to that which the reader sees around him, i.e., the social reality. Such reporting is undoubtedly thorny in each individual case, but because it can be externalized, it produces a confrontation of attitudes and viewpoints, or very simply, thought.

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PARTY MEMBERS WORK DISCIPLINE, JOB REVIEWS NOTED

Warsaw TRYBUNA LUDU in Polish 19 Aug 86 pp 1,2

[Article by Anna Pawlowska: "No Resolution Is a Cure"]

[Text] I surprised Tadeusz Zielinski, plant committee secretary at the Gorzow Machine Works, with the question of whether party members are often in conflict with work discipline.

He was ready to talk for hours about the future of the company, which in the new building is to undertake production of a totally new generation of tractors in 1989, guide me through the old halls and point out the difficulties there, tell about organizational preparations for certifying work positions and talk about the opportunity associated with the modern machine park. But discipline for party member employees?

There are, after all, 12 Branch Party Organizations [OOP] (statistically not much more than 21 party members in each one); perhaps the secretaries there know something on this subject. But there is no point in asking them; they would have to gather data. Once in a foundry OOP there was an instance of intense intervention into an infringement of the rule. . . .

Of course the party works with ministerial personnel. Without the OOP's opinion, no one can be placed in a ministerial position. And a promotion to assistant or director of a division without Plant Committee approval is unheard of. Party work with staff reserves? Yes, they took part in the review restoring reserves. And? Nothing special, there was no need to draw from them.

I was at the Gorzow Machine works 5 weeks after the 10th Congress. It was summer, vacation time, and it was still impossible to reach the OOP with the congress's resolution. But before the congress, there was no time to discuss the Central Committee's Proposals because the meetings devoted to the plan for the party program were prolonged. So that individual conversations could take place with all members. And what was the outcome? That everyone is waiting earnestly for the new building in Baczyn.

A nice story, but they have at least 2 1/2 years of waiting ahead of them.

"The political situation here is difficult." I heard this often in Gorzow province plants and I know now that it really is. But the conclusions drawn from this are varied. In the Bomet Shipfitting Works in Barlinek it was also difficult to go beyond the internal affairs of the company in individual party meetings. Plant Secretary First Secretary Kazimierz Borowski is looking for all the symptoms of an improvement in this situation. And so, with difficulty, because that is the way it is, a trade union is growing little by little; the worker council has been able to find itself an appropriate place in the plant; elsewhere the troublesome dispersal of personnel (four plants, one of which is beyond the provincial border in Szczecin Province) promotes integration of smaller groups (Bomet as a wole employs 1500 people); the 110-member Barlinek plan party organization noted returns by two good workmen and respected people who at one time had turned in their party membership cards. "Maybe I am mistaken," mused secretary Borowski, "but I can see in this the first harbingers of changing moods."

Party members found political arguments in everyday plant affairs. In the company's outstanding contributions on the city behalf, which have not been breached for even a moment, it is no exaggeration that in everything--from the lake harbor to the educational base--there is social work. And Bomet's working money. In the fact that the Hamburg Ocean Service company cooperates with isolated Barlinek, establishing its brands theree in return for fittings for reinforcing containers, concocted out of Bomet's own designers' ideas (60 percent of Bomets entire production is exported directly; last year it brought $3.5 million and 11 million rubles). In the fact that a major part of its foreign currency deductions goes for modernization of its design section, test stations and plant center for electronic data processing.

"On television," said Borowski, "the review's success has already been trumpeted, but not yet here." The plant, scattered around the countryside, manufactures 4000 products in four major families--shipfittings, riggings, castings and forgings. It would be nice if it were possible to confine this production. But how? "Whatever is material-intensive is crucial to our shipyards and we are working for them first of all," said the secretary.

"Exporting pays best for that hich is labor intensive. That which takes intellectual effort, which requires thinking, trying, searching is crucial to us Bomet employees, is what keeps us in Barlinek. And so the party must be 'for the whole,' since it is in it that our public interest is tied to the workers' interests."

One who does nothing makes no mistakes. As they established--with the party's outstanding participation--their own wage system, they opted for such an order of work positions that the average difference between "productive" and "non-productive" came to 10,000 zloties. Kazimierz Borowski mentions as a party success that it was the party that first went to the people with the frank admission, "we made a mistake." Its authority did not suffer because of this, and perhaps it grew. . . .

Another triumph is also atypical: "Our personnel reserves are depleted!" This means that they were chosen, that they were developed, that promotions have the green light. "One has to go to the people with the truth and with facts,

with such truth that no one can question it, with facts that must enter into the consciousness.

I also heard this opinion in Gorzow: "No resolution is a universal cure for everything." It is not and the two examples cited above are proof.

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DIRECTORS, SELF-MANAGEMENT IN OPPOSITION

Warsaw ZYCIE WARSZAWY in Polish 15 Aug 86 p 3

[Text] Jerzy Godula writes in the Lodz EXPRES ILUSTROWANY (7 August): "A good many directors are still doing everything they can to prove their superiority over self-management. The studies made this year by the Supreme Chamber of Control show that one fifth of the directors do not look at the suggestions made by the self-management concerning management in their workplace. The self-management has ideas to improve work and organizational efficiency or product quality, but the director ignores them.

In half of the enterprises examined, the director does not give the self-management the sufficiently detailed materials needed to approve a plan or evaluate its execution. How, then, can self-management participate in management of the enterprise? How can it be jointly responsible for how it functions?

One more example--a very edifying one. In one enterprise the director issued an order that the self-management can inspect all of the firm's operations, including the director's activities, only when consent is obtained from ...the director. And yet the consent to inspect the operations of an enterprise is embodied in the law on workforce self-management itself."

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ENGINEERS SET UP 'JOB CERTIFICATION' CONSULTATIONS

Warsaw RZECZPOSPOLITA in Polish 15 Aug 86 p 2

[Text] An increasingly larger number of enterprises are preparing themselves for job review and certification. This method, which is aimed at improving organization and utilization of labor resources, requires a knowledge of ergonomics, organization, health and safety rules, and economics.

In its desire to give enterprises professional assistance in this area, the voivodship chapter of SIMP (Association of Polish Mechanical Engineers and Technicians) in Poznan, through a product quality-rating center, a cadre-training center, and an industry-organization section, has set up a consultation service for all interested enterprises.

Plant representatives may apply in person to the consultation center for information and advice relating to regulations, purposes, principles and organization, review and certification. SIMP specialists also offer their services in training plant and department job-certification teams and in the conduct of the review itself.

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OVERTIME WORK 'IN PROPORTION'

Warsaw ZYCIE WARSZAWY in Polish 15 Aug 86 p 3

[Text] Andrzej Najmrodzki in GLOS POMORZA (9-10 August) writes as follows:

"Management teams function in many plants. The benefits are unquestionable. "Free" production capacity has been put to use and people are making pretty good money. It is not surprising that similar measures are being undertaken so willingly, but...

Exactly. What we are referring to is the attitude towards "normal" work, the work which, as a rule, brings less money. Aren't the proportions in wages here becoming distorted? When a person working on a Monday receives less than half of what he would get for additional jobs on weekends and evenings?

I am not one to throw the baby out with the bathwater, i.e., I am not critical of various forms of additional work. But it seems to me that we should take a closer look at its psychological effects, and as I said, maintain some proportion.

Additional work has its advantages. It often demonstrates new production capabilities, enables the discovery of reserves, and stimulates ingenuity and initiative. But one would wish that this would occur throughout the workweek, and not just in the after-hours jobs.

In a very short time we will be witness to a process of extreme importance to the economy: job-certification, deep penetration into the problems of organization and management. The experience of the management teams can also supply a wealth of material. The brigade system of working, becoming more commonplace all the time, will also give the factory groups an opportunity to demonstrate their ingenuity and initiative in their weekday work. It should be accompanied by the ability to produce more and earn more, while maintaining the correct proportions, because that is precisely what normalcy requires."

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SOVIET-POLISH SCIENTIFIC, TECHNICAL COOPERATION NOTED

Warsaw TRYBUNA LUDU in Polish 12 Aug 86 pp 1, 2

[Text] (PAP) The executive board of the Council of Ministers' Committee on Scientific and Technical Progress met on 11 August under the chairmanship of the deputy premier, Zbigniew Szalajda.

A report was received on the status of the implementation of the long-range Polish-Soviet comprehensive scientific and technical program. The agreements embodied in the program were examined and a proposal to expand the subject range of the work and new organizational and legal forms of cooperation falling within the framework of the program were discussed. The executive board emphasized that those forms of program implementation should be selected which will strengthen scientific ties with production and facilitate more complete and rapid use of the results of joint scientific and technical work.

The agreements dealing with program implementation, prepared and signed by the ministries and central offices, require direct action on the level of those who are directly implementing the tasks. The executive committee appointed a Coordinating Council--a body which will act in a consulting and advisory capacity, to prepare the optimal conditions for implementation of the program. It will be chaired by the minister-head of the Office of Scientific and Technical Progress and Applications, Konrad Tott.

The executive committee discussed problems relating to foreign-exchange purchases on which implementation of important tasks in science and technology is conditioned. To ensure control over foreign-exchange expenditures, a commission will be appointed which will report to Minister Tott and whose task it will be to verify in detail all applications for foreign-exchange.

In compliance with the recommendations of the Politburo, problems relating to the examples set by industry were discussed. Also, a draft directive by the committee chairman on supplementary financing for selected scientific and technical publishing houses was approved and a commission on prizes awarded by the committee chairman for special achievements in the field of science and the application of scientific and technical progress was appointed. Prof Cezary Ambroziak is the commission chairman. The agenda and date (October) were set for the committee's meeting when tasks on science and technology, stemming from the resolutions of the Tenth Congress, will be examined.

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CRITICISMS AT LENIN STEELWORKS, OPZZ MEETING

Warsaw TRYBUNA LUDU in Polish 7 Aug 86 p 2

[Report by Andrzej Gesing]

[Text] On 6 August, Alfred Miodowicz, Politburo member and OPZZ chairman, attended a board meeting of the NSZZ Lenin Steelworks Employees. The future program of the union movement and the working people's current problems prior to the approaching OPZZ Second Assembly, at which new union leaders will be elected, were discussed.

There were many questions and comments on the union's draft program. Jadwiga Olszynska from the Power Plant expressed the belief that the difficult work done by the women in that Plant is not being given the proper recognition, that they are being paid less than men doing the same work, and that they have little chance for promotions. Furthermore, in her opinion, too little attention is being given by the trade unions to health hazards and their prevention.

Mieczyslaw Zajac from the Metals Processing Factory in Bochnia said that the union's program should be very specific. Contrary to many programs, it should be a compendium of what the unionists have accomplished and what they are immediately accountable for to their members.

Wladyslaw Wlodarczyk spoke with anxiety about the worsening situation for retirees and pensioners, of whom there are over 13,000 in the Steelworks.

Alfred Miodowicz, in sharing these opinions, particularly stressed the need for further strengthening of the trade unions. This will occur when collective bargaining is instituted. That will be the legal structure which will determine the rights and working conditions of the workers. The law on trade unions in effect now is inadequate, considering also that it is frequently being violated by management. Problems should be solved in practice, not on paper.

Among the dozens of matters brought up, Miodowicz said that the attempt to solve the housing problem by purchasing apartments from investors was a mistake. The Steelworks can afford to build not just one or two houses a year, but at least one completely built-up street.

In answering other questions, he also said that it was high time that another look be taken at economic reform, which is not fully reducing inflation.

In conclusion, in accordance with the bylaws, delegates were elected to the OPZZ Second Assembly. Miodowicz was one of the five delegates elected, and the board of NSZZ Lenin Steelworks Employees recommended that he again be a candidate for the position of OPZZ chairman.

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MINING MINISTRY PREPARES TO REVIEW JOB POSITIONS

Warsaw RZECZPOSPOLITA in Polish 19 Aug 86 pp 1,2

[Text] The resoltion of the Council of Ministers in March of this year makes more specific the duties of the governing boards. They have been bond to far reaching assistance to industry in the preparation and efficient, effective introdction of reviews and certification of job positions. In the ministries, by virtue of this resoltion, departmental committees should come into being that will draw specialists from various disciplines (including work organization and standardization and safety and hygiene) and the goal of their work is to carry out essential organizational control and coordination of work associated wiwth review and certification and evaluation of the results of their progress in subject industries.

What is the practice thus far?

In the Ministry of Metallurgy and the Machine Industry the departmental committee as appointed at the end of May. But, as Maria Prokof-Nowak, the chief specialist in the Center for Research on Labor Efficiency and Standardization said, work on preparation for the review and certification of job positions in metallurgy and the machine industry was started much earlier. In accordance with the decision of ministry management, the center, along with the Institute for Organization of the Machine Industry, taking advantage of Soviet experiences, prepared a training program for five plants that are introducing or will introduce pilot programs for job review and certification. Instruction for the companies has been established and specialists from the center and institute are constant guests in the factories.

Operating under the direction of the vice-minister, the departmental committee, which assumed and conducts this matter, is composed of 10 people. They are specialists from basic departments and the center. In the decision to the appoint the committee, the minister stipulated that it can commission various tasks associated with certification to other experts, institutes or research centers.

"This can best be illustrated with an example," said committee member Romuald Pyrzanowski, chief specialist from the Center for Research on Labor Efficiency and Standardization. "The committee will undoubtedly want to recommend the

development of model solutions to particular institutes. For instance, for the area of utilizing numeric electroncis technology or robotics."

"It it worth emphasizing," added M. Nowak, "that the review and certification of positions cannot be an action or a job done in a hurry, perfunctorily, superficially, since that would neither give a true picture nor allow us to draw proper conclusions. That is why this entire undertaking, from its very foundations, spread out over the years, requires arduous and varied preparation, participation by specialists from a great variety of disciplines, comparative materials, instrction, informing company management and staff of its purpose and significance and the benefits that will result from it for each and every one."

"For now the committee's most urgent task," explained my interviewees, "is preparing (by the end of this month [August]) methodological rules and departmental instructions for the companies." The results the committee obtains from the five companies under the Ministry of Metallurgy and the Machine Industry that are conducting or will conduct pilot programs for position review and certification will be used. One of the results of a methodological nature deals, for example, with the proposed evaluation scale. In the opinion of certain companies, the scale should be a 10-point one to permit assigning a hierarchy to particular evaluations and to be more amenable to use with computers. The plants also suggest that the company have complete freedom in choosing evaluation criteria. Specifically the concern is that, in addition to an obligatory set of criteria for all, additional criteria, varying according to the nature of the plant (foundry, tool or automobile factory, etc.) could be used.

"Our committee," said R. Pyrzanowski, "must also take into consideration those opinions in whwich one can see a need to establish the predominant factor in a given posiion, assuming that the mathematical average is not a sufficient measre for an evaluation. Finally we must examine the notion that an evaluation of a job's economic condition should not enter into average value. The "human" factor, in the opinion of some, should be considered separately from technical considerations."

At its next meeting the departmental committee will analyze all these conclusions which, along with general determinations of the Ministry of Labor, Wages and Social Service Affairs and Soviet experiments, will constitute the basis for working out departmental methodological and organizational rules, e.g., a working instructional program for the companies. In September these materials wwill be delivered to the companies.

Later the committee is planning regional meetings wiwth industry representatives in order to mutually establish a timetable for review and certification of job positions in the companies under that ministry. In accordance with the resolution, this will be spread out over the years 1986-1990.

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ACADEMIC VIEWS 'FRUSTRATION COMPLEX'

Warsaw ZYCIE WARSZAWY in Polish 9-10 Aug 86 p 8

[Text] Some of Prof Stefan Kieniewicz's thoughts in POLITYKA:

"Our war and postwar experiences have cured us, obviously, of any dreams of power, but on the other hand they have brought us some new complexes. The neologism "frustration" has become a familiar word in our everyday language. Frustration is also a good breeding ground for megalomania and paranoia.

We are proud, and rightly so, of our great countrymen, with John Paul II at the head, and we do not worry very much about trying to reach their heights. We reflect on our heroic impulses, both distant and recent; we reflect less frequently on the internal causes of our failures. We would like to believe that we are an exceptional nation, and yet how high a percentage of our younger generation sees value only in foreign examples.

The historical experience of the 19th century could have taught us that whenever in the past we believed in our guiding star and our historical mission, we very painfully collided with the realities of existence. But whenever we abandoned our "dreams of power" and got down to work on ourselves and our surroundings, we achieved results... sometimes completely unintentional."

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'CULTURE' VIEWED AS SOCIAL MANNERS

Warsaw ZYCIE WARSZAWY in Polish 15 Aug 86 p 3

[Text] Lyd'a Blaszczyk writes as follows in SLOWO LUDU (Kielce, 1 August): "What, exactly, is culture? It varies in definition. It may be the spiritual legacy of a nation, a body of artistic achievement, the level of a society's or individual's spiritual and moral development, or in a narrower meaning, simply good manners.

We seldom delve into the etymology of this word, but in Latin it means "cultivation," "training." Well, precisely.

At this point we should ask ourselves: What is the connection between the films being shown in our cinemas and the slashed seats in our buses and trains; between the poor attendance at concerts and the coarse language and behavior observed more and more frequently; between the empty museums and the hideous box-like houses adorned with crushed colored glass?

The thefts from the mails, the neglect of physicians, constituting a threat to life, the dishonesty of employees who carry spare parts out of the workplace--all of these cause one to reflect sadly on the state of society's culture.

Culture, therefore, has more than one meaning. It shapes a sense of esthetics and morality, it enhances individual personality and facilitates interpersonal contacts.

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PRESS VOCABULARY TRENDS DURING 1980-1983 REVIEWED, ANALYZED

Krakow ZESZYTY PRASOZNAWCZE in Polish No 2, 1986, pp 27-28

[Article by Alicja Zagrodnikowa: "Vocabulary and Phraseology Employed in the Polish Press During 1980-1983 (Summation of Research Findings)" under the rubric "Thirty Years of the Press Survey Center (OBP)"; passages in slantlines printed in boldface in the original]

[Text] To regular and attentive readers of our quarterly we need not explain the genesis of this study. Besides, the author herself (in footnotes 1 and 4) refers to earlier articles in this series.

Dr A. Zagrodnikowa sums up the findings of a stylistic and semantic analysis of the vocabulary and phraseology employed in the press during the 1980-1983 period and formulates tentative conclusions.

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The topic of this investigation, the scope of the material investigated over discrete periods and the principles for its selection were presented in detail in previous articles by the present writer in the series, "Vocabulary and Phraseology of the Time of Changes in Poland," published in ZESZYTY PRASOZNAWCZE. (Footnote 1) (Cf. A. Zagrodnikowa, "Vocabulary and Phraseology of the Time of Changes in Poland," ZESZYTY PRASOZNAWCZE, No 4, 1981, pp 29-44; No 3, 1982, pp 29-46; No 4, 1984, pp 23-40.) For now it is to be merely recalled that the materials comprised press writings on the contemporary situation as motivated by the recent past, by the so-called pre-August period [prior to the rise of Solidarity]. Allowance was made for all kinds of publicistic writings on the changes then under way, as published in selected issues of the newspapers and periodicals surveyed. The basis for the selection of research items was their negative or positive tone as shaped in linguistic contexts as well as in the situational context -- by the circumstances under which the texts were written. In the second half of 1980 such circumstances were primarily the August events (strikes and the agreements then signed), as well as their immediate background and future consequences; the material collected contains explicit references to the bad pre-August past. As for the publicistic writings following mid-December 1981, these were done under the imprint of the martial law and its causes and consequences. In 1983, despite some unfavorable effects, some relaxation and

normalization are more clearly perceptible. Throughout the 3-year period with which we are dealing the state economy had been existing in a state of crisis.

The type of connotations of expressions and phraseological combinations served as the basis for dividing the entire sample into two principal classification categories: 1. Vocabulary and phraseology with stylistically negative connotations; and 2. Vocabulary and phraseology with stylistically positive connotations. The material was processed by the method of stylistic-semantic analysis based on statistical calculations.

The entire sample contained 5,950 utterances in print in discrete items: 4,375 with negative connotations and 1,575 with positive connotations. A numerical treatment of the material over the three periods under study, as broken down into items with negative and positive connotations, is presented in Table 1.

Table 1. Breakdown of Vocabulary and Phraseology Into Items With Negative and Positive Connotations

	Second Half of 1980		December 1980		1983		Total	
	No	%	No	%	No	%	No	%
Negatively disposed vocabulary & phrases	2,170	69	970	85	1,235	75	4,375	74
Positively disposed vocabulary and phrases	980	31	175	15	420	25	1,575	26
TOTAL	3,150	100	1,145	100	1,655	100	5,950	100

It ensues from this comparison that, both for the entire sample and for each period under study, material with stylistically negative connotations prevailed by a factor of several times, particularly in December 1981 (by a factor of nearly 6), from which we conclude that the attention of publicists in the years 1980-1983 was focused on the negative and unfavorable aspects of our reality of the first 3 years of renewal, particularly in the month in which martial law had been imposed.

1. Vocabulary and Phraseology With Stylistically Negative Connotations

By grouping the data within several conceptual fields we obtained ensembles of negative references reflecting the reality of the three periods of change considered in the analysis. (Footnote 2) (A conceptual field is, according to the theories of meaning fields referred to in the article by R. Tokarski ("Theories of Fields of Meaning and Seme Analysis," JEZYK POLSKI, Vol 63, No 3, 1983, p 180), "an ensemble of utterances linked by a common meaning among which there exist specific significance relationships that result in a coherent and hierarchical system.") The overall frequency of usage of

expressions, terms, and phrases in a given field indicates the intensity of a phenomenon during the periods investigated.

Numerical and percentile data are presented in Table 2, from which ensues that the hierarchy of unfavorable, bad topics of attention in the press uniquely differs for each period investigated. Based on the location of a given field in semiconceptual field systems we conclude that in the second half of 1980 and in 1983 the crisis, construed as an economic collapse, as broadly conceived disintegration, difficulties, shortages, and shortcomings, moved to the forefront of perturbing issues, along with pathological phenomena, that is, whatever deviates from the norm (especially in the colloquial meaning of the word). The term crisis had a particularly high use frequency (about 90 times each during the second half of 1980 and just as often during 1983), and it also serves as the appellation of one conceptual field. Analagous material for December 1981 was grouped under the appellation of collapse -- the field frequency record for this effect ranks it fifth in the accepted hierarchy of importance.

Table 2. Conceptual Fields of Vocabulary and Phraseology With Stylistically Negative Connotations

(1) Okres badawczy	(2) Nazwa pola i jego frekwencja															
	(3) L	%	L	%	L	%	L	%	L	%	L	%	L	%	L	%
II połowa 1980 (5)	(4) kryzys (6)	512	25	patologia (7)	493	24	konflikt (8)	316	15	(9) nietolerancja	200	10	(10) kłamstwo	161	8	(11) anarchia	136	7	(12) groza	118	5	(13) opozycyjność	73	3	(14) bierność	68	3	RAZEM (15)	2075	100
grudzień 1981 (16)	anarchia (11)	193	22	(9) nietolerancja	180	21	(13) opozycyjność	143	16	(10) kłamstwo	126	15	(17) upadek (kryzys)	90	10	(12) groza	77	9	(8) konflikt	63	7	.			.			RAZEM (15)	872	100
1983	kryzys 96)	454	42	(7) patologia	234	23	(9) nietolerancja	68	6	(8) konflikt	63	6	groza (12)	58	5	(10) kłamstwo	55	5	(14) bierność	53	5	(11) anarchia	45	4	(13) opozycyjność	40	4	(15) RAZEM	1070	100

(18) Brak (lub znikoma ilość) materiału w badanym okresie

Key: 1. Period Investigated; 2. Name and Frequency of Field; 3. %; 4. No; 5. Second half of 1980; 6. Crisis; 7. Pathology [Crime]; 8. Conflict; 9. Intolerance; 10. Mendacity; 11. Anarchy; 12. Peril; 13. Opposition; 14. Passivity; 15. total; 16. December 1981; 17. Collapse (Crisis); 18. Data for period investigated not available or nugatory

The first two places in the material for December 1981 are occupied, in our system of conceptual fields, by anarchy, that is, by the state of chaos, disorder, relaxation, characterized by lack of stability, lack of rule of law, and adventurism, especially political adventurism, and also by intolerance, that is, lack of understanding for other views, other conduct. The phenomenon of intolerance has also been fairly often mentioned in the press both in the second half of 1980 and in 1983, which points to its continuity.

The political opposition, that is, the struggle against the socialist system of society and the policies of the party and government, was particularly

often pointed to by publicists in December 1981, by contrast with the material for the two other periods investigated.

The issue of political and social conflicts figured most highly in the publicistics of the second half of 1980, and less in the material for the two other periods investigated.

The field of mendacity, particularly broad in the material for December 1981, makes the issue of untruths, fabrications, dishonesty, semblance, etc., relatively more important in December 1981, when these connotations were ascribed chiefly to the political opponents.

The most often used expressions in the publicistic writings investigated (with a use frequency of more than 10), demonstrating the importance of the negative issues identified, are as follows:

-- for the second half of 1980: difficulties + difficult, 100; crisis + crisis-caused, 92; strike(s) + strikers + to strike, 70; tension(s), 48; mistakes + mistaken, 46; shortages + to lack, 50; conflict(s) + conflicting, 30; work stoppages, 30; drama + dramatic, 25; antisocialist, 22; unrest, 20; waste, 15; discontent, 14; comp[lications, 14; chaos, 11; deformations, 11;

-- for December 1981: crisis + crisis-caused, 24; the extreme [opposition] + extremist, 21; anarchy, 17; antisocialist, 17; counterrevolutionary, 14; terror, 14; opponents, 13; peril, 12; difficulties + difficult, 17; hostile, 12;

-- for 1983: crisis + crisis-caused, 102; shortage(s) + to lack, 44; difficulties + difficult, 42; inflation, 12.

The principal bearers of negative attributes and issues during the 3-year period of renewal, as identified in the material investigated, are: the political opposition, state and local authorities, and the party. Numerical data illustrating the peak for each category in the material for the three periods investigated are presented below:

Categories of Bearers of Negative Values

Period Investigated	Political Opposition		The Society		The Authorities		The Party		Total	
	No	%	No	%	No	%	No	%	No	%
First half of 1980	84	31	120	44	50	19	16	6	270	100
December 1981	466	93	28	6	6	1	-	-	500	100
1983	67	26	182	72	4	2	-	-	253	100

For the material investigated as a whole the prevalence (more than 90 percent) of vocabulary and phraseology with negative connotations concerning the political opposition in December 1981 is noteworthy. During the two other periods the subject of the main attacks is the society (particularly in the second half of 1983), followed by the political opposition (especially in the second half of 1983). Publicistic writings in the second half of 1980, and principally during the pre-August period, also point out many negative aspects of the authorities and the party. In 1983 there are fewer writings critical of the authorities and the party.

Semantic analysis of the sample material in terms of the political opposition, the society, the authorities, and the party, indicates that the negative aspects on which publicistic writings in the second half of 1980 had focused were (Footnote 3) (Numerous instances documenting the negative aspects of the political opposition, of broadly conceived society, of the authorities, and of the party, in the publicistic writings of the second half of 1980 and in December 1981 are presented in the articles cited in Footnote 1.):

-- regarding the opposition (in the post-August period), e.g.: hostility, hatred (of socialism, of the authorities, of the party), criminality, fanaticism, demagoguery, nationalism, camouflage;

-- regarding the society (especially in the pre-August period), e.g.: fencesitting, self-indulgence, egotism, bootlicking, temporizing, privatism, procrastination, incompetence, and in the period of post-August changes: ruefulness, embitterment, depression, anxiety, impatience, perturbation, etc.;

-- regarding the authorities (in the pre-August period), e.g.: arrogance, intolerance, conceit of office, haughty treatment of citizens, parochialism, incompetence.

-- regarding the party (in the pre-August period), e.g.: opportunism, conservatism, careerism, dogmatism, ideological capitulation.

In the publicistic writings of December 1981 the following negative referrences were made to:

-- the opposition, as previously: hostility, hatred (of socialism, of the authorities, of the party), political criminality, mendacity, and also political adventurism, anti-Sovietism, subversive actions, extremism, intolerance, political ignorance, belligerence, insanity, hysteria, perfidy, lack of common sense, irresponsibility, etc.;

-- the society (certain of its segments), e.g.: adventurism, selfwill, speculation, absence of criticism, frivolity, and also: fear, anxiety, impatience, feeling of hopelessness;

-- the authorities (of the pre-August period), e.g.: petty bossism ["caciqueism"], intolerance, contempt of the masses.

Publicistic material for the year 1983, when greater political stability set in owing to a considerable weakening of the opposition, devotes

proportionately less attention to it than in 1980, and especially in December 1981. Expressions, terms, and dictums concerning opponents are characterized by a lower emotional charge and semantically they rather resemble instances from the second half of 1980.

The oppositionist attitude and illegality of certain groupings are indicated by labels and expressions in which the informative function predominates: the political opposition, opponents of socialism, political opponents, groups acting in opposition to the socialist reality. In connection with the new political situation -- the disbanding of Solidarity -- the illegal structures of Solidarity are characterized by the appellation the underground and the adjective underground in expressions such as the underground organization, underground activists.

The adjectives extremist, fanatical used in syntactic combinations with the expression Solidarity activists point to negatively interpreted extremism of the attitudes and feelings of members of this organization, whose name was now prefaced with the adjective the former, connoting that it no longer exists: the remnants of extremist activists of the former Solidarity; the remnants of fanatical activists of the former Solidarity. The extremism of these activists is weakened by their low numbers, as indicated by the term remnants.

The adjective antisocialist is rarely used in reference to the opposition, e.g., antisocialist fighters (of the Committee for the Defense of Workers (KOR) or the Confederation for Independent Poland (KPN); the sample analyzed for 1983 was found to lack the expression antisocialist forces, typical of the publicistics for December 1981 and often also used in the second half of 1980.

The particularly belligerent -- under certain circumstances -- members of the former Solidarity are tagged with appellations pointing to the aggressive nature of their activities: shouters, booers. The ironic attitude of journalists toward conspiratorial groupings is emphasized by the use of quotation marks or the expression "so-called" as in 'the underground,' the so-called underground or "the 'underground' segment of our society". A similar stylistic function is performed by affective phrases, such as the pitiful conspirators or by referring to the same individuals as "these gentlemen." The pronoun "a certain" in a syntactical combination with a name, such as "a certain Kuron," represents a rare instance in which the attacked opponent is identified by name.

The political struggle of the opposition is conducted, as in the previous period, by subversive and dishonest methods, by means of provocation, pressure, and blackmail, as shown in the instances from the semantic category of actions: treacherous game, manipulated propaganda campaign, shaman-like tricks (concerning the creative intelligentsia), provocations (among the creative intelligentsia), psychological-moral pressure (on artistic communities), and blackmail. A form of opposition-inspired protest against the authorities is the boycott, as expressed in germane forms such as: the notorious boycott (of television, by actors), or (those who attempt) to boycott the state. The following verbs and phrases connote activities inimical to the unity and cohesiveness of the society: sowing discontent, disrupting

the cohesiveness (of the society), muddying the waters, dividing (the society), sowing uncertainty, provoking mistrust, etc.

In the press material of 1983 phraseological combinations employing the terms the society, the Nation evaluates our population for that period as intolerant, anarchic, and living in mutual discord: a society lacking a foundation of tolerance, contaminated by the disease of anarchy, a divided and stratified nation. Similar connotations are transmitted in linguistic contexts by abstract appellations illustrating feelings and attitudes hostile toward one's neighbors: intergroup discord and envy, mutual enmity (within the communities of the creative intelligentsia), reluctance and perhaps even hostility (within various Polish milieux), mutual sulking.

The terms alcoholism, drug addiction connote bad habits to which part of the society becomes subjected. Among the numerous examples of other abstract appellations we isolated groups of forms with similar connotations, forming the category of improper attitudes and conduct displayed by egotistic members of the society: egotism, greed, and covetousness. For excessively cautious members of the society the terms employed were: fencesitting, fencesitting conduct. For passive members of the society: apathy, indifference, standing aloof, lack of commitment.

The verb 'to steal' (the crude petroleum is stolen even before the storage tank is reached), and the expressions violating the norms of social justice or causing each other moral harm (by spreading rumors) point to dishonesty and failure to adhere to moral principles in the society. The affective phrase 'behaving suicidally', which resembles the phrase recorded for December 1981, taking the road of self-destruction, accuses the society of lack of political common sense, which might cause a catastrophe. (Footnote 4) (See A. Zagrodnikowa "Vocabulary and Phraseology in Press Publicistics in December 1981," ZESZYTY PRASOZNAWCZE, No 4, 1984, p 31.)

A survey of negative references to the authorities in 1983 does not reveal much; the few instances found accuse representatives of the authorities of the pre-August period of arrogance and dogmatism: dogmatically thinking and acting (certain representatives of the apparatus of the authorities), the arrogance of power (extremely dangerous politically and morally). In the post-August period there are references to tardiness (the higher authorities often react tardily to the questions and doubts of civil servants addressed to them).

Quantitative analysis of the material referring to the society, the authorities, and the party indicates that, in the press writings in 1983 the principal bearer of negative attributes and aspects was the society, which was referred to in such terms as intolerance, anarchicity, discord, mutual enmity or illwill, egotism, lack of political common sense, failure to adhere to ethical norms, lawbreaking, lack of commitment.

Relatively fewer references were made to the negative qualities of the political opposition, which was characterized by, e.g., adventurism, illegality (the underground), extremism (to a certain extent), intolerance, treachery, and provocative behavior.

Similarly, there were fewer references to the pre-August authorities: dogmatism (of certain representatives) and arrogance, and to the post-August authorities, whose main attribute was said to be procrastination.

2. Vocabulary and Phraseology With Stylistically Positive Connotations

Conclusions from a stylistic-semantic analysis of the vocabulary and phraseology with stylistically positive connotations will be, as in the first part of this article, presented by starting with a discussion of specified conceptual fields, whose frequencies are given in Table 3.

Table 3. Vocabulary and Phraseology With Stylistically Positive Connotations, Breakdown Into Conceptual Fields

Okres(1) badawczy	(2) Nazwa pola i jego frekwencja																	
(3)	L	%	L	%	L	%	L	%	L	%	L	%	L	%	L	%	L	%
II połowa 1980 (4)	(5) zaangażowanie 213	25	(6) odnowa 174	21	(7) poprawa 96	11	(8) porozumienie 90	11	(9) mądrość 88	10	(10) stabilizacja 52	6	(11) nadzieja 47	6	(12) ważność 45	5	(13) prawda 42	5	RAZEM (14) 847	100
grudzień 1981 (15)	(8) porozumienie 30	31	(16) bezpieczeństwo 18	19	(7) poprawa 14	15	(17) realizm 12	13	(6) odnowa 8	8	(10) stabilizacja 7	7	(18) ratunek 7	7	•		•		98	100
1983	(7) poprawa 182	53	(6) odnowa 88	25	(5) zaangażowanie 37	11	(10) stabilizacja 26	7	(17) realizm 6	2	(8) porozumienie 6	2	•		•		•		345	100

• Brak (lub znikoma ilość) materiału w badanym okresie (19)

Key: 1. Period Investigated; 2. Name and Frequency of Field; 3. No; 4. Second half of 1980; 5. Commitment; 6. Renewal; 7. Improvement (Repair); 8. Reconciliation; 9. Wisdom; 10. Stabilization; 11. Hope; 12. Importance; 13. Truth; 14. Total; 15. December 1981; 16. Security; 17. Realism; 18. Salvation; 19. Data on period investigated not available or nugatory

The data presented in the above table point to certain convergences indicating an intensification of analogous positive references during the second half of 1980 and in 1983: during both periods, separated by the month in which martial law was declared, the press had been paying special attention to the issue of involving the society in the cause of renewal and to tangible changes to the better, i.e., to improvements and to the renewal itself, signifying, as the semantic analysis revealed, the recovery of the former wellbeing of the country and the introduction of all kinds of positive innovations. In December 1981, on the other hand, the paramount issue was national reconciliation and national security.

In 1983, owing to a normalization of the political situation in this country, the issue of national reconciliation ceased to be as essential, and hence it received much less attention in the press and the conceptual field national reconciliation began to rank last among the conceptual fields, while the national security field was not at all singled out owing to the absence of a sufficient number of instances. On the other hand, the improvement field, interpreted as ongoing changes to the better, demonstrating that the economic and political crisis is being overcome, overwhelmingly advanced to the first rank as an issue.

Sample material for the second half of 1980 served to isolate additional fields: hope, importance, and truth, demonstrating that in the first half of that year the society had become more optimistic, the future was viewed with confidence, and there were signs of truth, honesty, and confidence; fascinated by the August events, the press was emphasizing their portentousness.

The conceptual field systems for all three periods include stabilization, which points to the continuity of this issue; in percentage terms, this term was just about equally referred to during all the compared periods of change.

In the analyzed writings for the second half of 1980 the most frequently used expressions (with a frequency of upward of 10), pointing to the importance of the positive references made, were: renewal + new, 82; national reconciliation, 43; hope(s), 31; concern (for positive values), 18; protest (against evils), 18; responsibility, 13; opportunity (for a better future), 12. For December 1981 the most frequent references were made to: national reconciliation, 17; reform, 62.

In the writings for the periods investigated the proportions of references with positive connotations concerning the three categories isolated (the society, the authorities, and the party), were not uniform for each period. Tentative numerical findings are presented below:

(1) Okres badawczy	(4) Kategorie nosicieli pozytywnych wartości							
	(5) społeczeństwo		(6) władza		(7) partia		(8) razem	
	L	%	L	%	L	%	L	%
(2) II połowa 1980	116	78	16	11	15	11	147	100
(3) grudzień 1981	12	26	22	47	13	27	47	100
1983	37	57	12	19	16	24	65	100

Key: 1. Period Investigated; 2. Second half of 1980; 3. December 1981; 4. Categories of bearers of negative values; 5. The Society; 6. The Authorities; 7. The Party; 8. Total

It ensues from the above data, which sum up a semantic analysis of the sample material, as well as from the semantic analyses discussed in the previously cited articles by the present writer -- (Footnote 5) (Instances documenting positive references to the society, the authorities, and the party, in the first half of 1980 and in December 1981 are given in the articles cited in Footnote 1) -- that the positive hero in the press writings of the second half of 1980 was, above all, the society of the period of August and post-August renewal, which was referred to in terms of deliberate judgment, determination, reason, responsibility, solidarity, ideological and political maturity, knowledge, and the will to make changes; the moods of the society were those of joy and gratification with the current sociopolitical situation due to the signing of the Agreement [between Solidarity and the Government].

Relatively fewer references were made to equally positive attributes of the authorities of the post-August period: energy (of action), consistency (in implementing the Agreements), deliberate judgment, sincerity, patience, respect for workers, faith in the purity of their intentions, realism, boldness, etc. Similarly, fewer references were made to positive attributes of

the party, which was, like the authorities, said to display, e.g., sincerity and boldness as well as: determination, resolution, desire to act, etc.

In the press writings of December 1981 the positive attributes of:

-- the society (part of it) were: negation of further strikes, feeling of responsibility for the country's future;

-- the authorities: consistency, sincerity, businesslike attitude, conciliatory attitude, treatment of the society as a partner, etc.;

-- the party: goodwill, conciliatory attitude, treatment of the society as a partner; and also magnanimity toward political opponents, political wisdom, self-criticism.

In the press writings of 1983 a positive image of the society is presented by material illustrating civic-spirited attitudes and deeds promoting renewal and normalization -- by terms and expressions such as: criticism of and opposition to any deviation from social justice; consistency; responsibility of all citizens for their country; wisdom; patience; patriotic awareness. Other linguistic contexts characterizing the society as a bearer of positive traits are the expressions: to understand and value normalization (the society, in an overwhelming majority thereof, understands and values normalization); not to accept any adventurism (the working people do not accept any adventurism); to chide waste, bureaucracy, and nepotism (the youth chides waste....); to translate into reality the party's constructive program (we translate into reality....); to bring order into laws, structures, and programs (we are bringing order into....).

A major source of positive values in the society was, in the press writings of 1983, the Patriotic Movement for National Reconciliation (PRON) [as published] -- the references to the acronym of that organization convey information about its social and national nature: the civic social movement PRON; PRON, the movement for national reconciliation, uniting patriots with differing views. The social nature of that organization is also indicated by the expressions: to hasten with aid also in individual, random cases; to take a detached position on successes that exist on paper only (the PRON takes a detached position on successes that exist on paper, it hastens with aid....).

The positive references to the authorities in the press writings of 1983 are basically the same as in the analogous material for the two preceding periods: consistency, sincerity, businesslike attitude, systematicity. The recorded instances of attributive forms in the function of definitions of verbs and appellations of activities serve to conclude that the positive attributes of the authorities are demonstrated in their activities; consistent (implementation of the program for socialist renewal by the authorities); sincere (dialogue of the authorities with the workforces of principal plants); businesslike approach to the problem of spurring the activism of youth (the authorities practice a businesslike approach...); systematically implement the established policies (the Government systematically implements the established policy....).

The positive references to the party during the same period serve, along with the positive references to the society and the authorities, to promote the idea of normalization. Abstract terms are used: sincerity, boldness, militancy, consistency, as well as constructive approach, realism, speed of reaction to abuses, businesslike approach, and openness ensuing from the content of the attributive forms: constructive, realistic, open to all (the party program), businesslike, concrete (discussion at every party forum), rapid reaction to all manifestations of abuses.

On the basis of the breakdown of the entire research material into the categories of the society, the authorities, and the party, we conclude that there exists some similarity between the sample for the second half of 1980 and that for the year 1983: in both periods the attention of the press was especially focused on the broadly conceived society as a bearer of both positive and negative traits and attributes. As for the December 1981 period, the period when martial law was imposed, negatively oriented vocabulary and phraseology emphasize particularly often the negative attributes of the political opposition, while positively oriented references pertain chiefly to the positive attributes of the authorities.

1386
CSO: 2600/651

BRIEFS

'SHELVED' FILMS NOT YET RELEASED--At one time PRON announced bombastically that it ould speak up about Polish films lying on the shelf. Several titles were mentioned, from Kieslowski's "Przypadek" ["Chance"] to Zaorski's "Matka Krolow" ["Mother of Kings"]. So far the "shelved" films have been seen exclusively at closed screenings organized by PRON in various cities, but that is where it ends, and the films do not appear on the screen. ("Przypadek" was to be released but got bogged down on the way). So the results of these promised admonitions are so far nil, while the shelved films are viewed by a privileged few. Others can only lick their lips in envy or go to the theater to "Glupcy z Kosmosu" ["Space Loonies"]. Also a fine film! [Text] [Poznan WPROST in Polish No 31, 3 Aug 86 p 3] 12776

'LADY PANK' DISSOLUTION CRITICIZED--Jan Borysiewicz, leads of the "Lady Pank" group, who hid from inquisitive journalists in a spot near Warsaw, wrote a letter full of contrition to POLITYKA in which he apologized to "the public" for the disturbance he created at the stadium in Wroclaw. Meanwhile, fans and followers of the group, which was dissolved by a decision of the minister of culture and the arts, are following up on Borysiewicz's act, protesting the liquidation of their favorite rock bank, the best in Poland, by sending signed letters wherever they can, including to the Council of Ministers and the PZPR Central Committee, hoping for reconsideration of the matter. But what can be done since the decision has already been made and it is probably too late to reverse it, for various reasons. In any case, it is still simplest and most convenient here to resolve an issue by putting it on the shelf and prohibiting it administratively, in the presumption that this way awkward problems and occurrences will disappear from sight on their own. But that outlook is short-sighted! [Text] [Poznan WPROST in Polish No 31, 3 Aug 86 p 3] 12776

POLITICIAN-ADMINISTRATOR ROLES MERGE--In the majority of political systems today, it is difficult to distinguish clearly who is an politican and who is merely an administrator. A politician is usually an administrator (when he is in power) and an administrator advances to the rank of politician, sometimes too often here. I do not know how it should be but I know that this is an important phenomenon and an important subject for scientific research. Being a politician is not an easy thing in any case. It requires certain characteristics, i.e., imagination, but most of all it involves the realm of personal happiness. It causes stress, destroys one's health and often, as examples have shown, leads to the pantheon. Let us look at the careers of

politicians during the period of People's Poland. Perhaps this is slight exaggeration but, in my opinion, it does not pay to be a politician if one can do something else. [From an interview with political analyst and professor Franciszek Ryszka by Grazyna Bral and Ryszard Socha, WYBRZEZE 20 Jul] [Text] [Warsaw POLITYKA in Polish No 34, 23 Aug 86 p 2] 12776

FILM ISSUES DISCUSSED--Andrzej Wasilewski, PZPR CC secretary, met on 8 August with the executive committee of the Polish Film Producers Society main board: J. Majewski, chairman; J. Kawalerowicz, honorary chairman; and J. Hoffman, T. Chmielewski, R. Koniczek, T. Drewno, and J. Domaradzki. The Society's principle problems and the development of cimematography were discussed, and particularly the preservation of the high social and artistic standing of Polish filmmaking, present and future work on a draft law on filmmaking, modernization of technical facilities, reforms in the organizational structure, the creation of better conditions for disseminating and promoting Polish films, increasing the degree of self-financing of Polish film production, and the conditions under which film producers do their creative work. Tadeusz Sawic, director of the CC Culture Department, attended the meeting. [Text] [Warsaw TRYBUNA LUDU in Polish 9-10 Aug 86 p 2] 9295

TRANSPORT UNIONISTS, SZALAJDA MEET-- Deputy premier Zbigniew Szalajda met with representatives of the Transport Employees, Transportation Industry Employees, Automotive Transport Employees, and Radiocommunication Employees Trade Union Federation on 8 August. Problems of trade union operations, employment, wages, working conditions, and technical equipment in workplaces under the Ministry of Transportation, were discussed. [Text] Warsaw TRYBUNA LUDU in Polish 9-10 Aug 86 p 2] 9295

CHINESE SCIENTISTS IN KATOWICE--A group of professors from the Chinese Academy of Mining, headed by Peng Shi-Ji, rector--in Poland at the invitation of the Polish Academy of Sciences--together with Prof Jerzy Litwiniszyn, director of the Institute of Orogeny Mechanics and vice-president of the Polish Academy of Sciences, met in Katowice with Gen. Div. Czeslaw Piotrowski, minister of mining and energy. General Piotrowski is also, from the Polish side, chairman of the Polish-Chinese Committee for Economic, Trade and Scientific-Technical Cooperation. The guests became acquainted with the nature of the Polish fuels and energy complex and also with the results of the developing Polish-Chinese cooperation, especially in the area of science and technology. There is considerable potential in this regard. The Chinese scientists visited the Halamba mine, the Main Institute of Mining, and the Central Mining Rescue Station. The latter two institutes, in particular, do a great deal for the Chinese coal industry. [Text] [Katowice TRYBUNA ROBOTNICZA in Polish 11 Jul 86 p 2] 9295

CUBAN, ANGOLAN JOURNALISTS VISIT--Lino Oramas, manager of the socialist countries department in GRAMMA, a Cuban daily, and Luis Ferreira, from JOURNAL DE ANGOLA in Angola, both journalists accredited by the 10th PZPR Congress, visited Czestochowa yesterday, 10 July. The guests saw the city and met with the voivodship committee secretary, Stanislaw Przewratil, as part of their interest in the voivodship's socioeconomic problems and the functioning of the voivodship party organization. [Text] [Katowice TRYBUNA ROBOTNICZA in Polish 11 Jul 86 p 2] 9295

MINERS, EX-CC MEMBERS MEET--A meeting of miners and power engineers--CC members last term--was held yesterday in the Ministry of Mining and Energy with its Minister, Gen. Div. Czeslaw Piotrowski. The Minister sincerely thanked the several former members of the CC for their long years of fruitful cooperation in serving the fuels-and-energy complex and the entire national economy, as revealed in the activities of the CC Mining Commission. Jerzy Romanik, CC member and former chairman of this Commission, also thanked its members. Zbigniew Abramowicz, health and safety inspector at the Makoszowy mine, said that the conferees will continue to take an active part in party activities in their workplaces, just as they did between the Ninth and 10th Congresses. [Text] [Katowice TRYBUNA ROBOTNICZA in Polish 11 Jul 86 p 2]
9295

CSO: 2600/640

BRIEFS

78 AIDS CASES--Budapest, 23 Aug (MTI)--The 14th International Congress Against Cancer continued in Budapest on Saturday, with some 8,000 experts participating. A special section dealt with the virologic problems of aids. Hungarian professor Dr Karoly Nagy, co-chairman of the section in charge of research in aids virus, gave a report on Hungarian experiences. The first two cases in Hungary were registered in early 1985, and there are 78 aids cases at present. Strict measures introduced earlier this year are expected to stop increase in cases. [Excerpts] [Budapest MIT in English 1659 GMT 23 Aug 86 LD] /9738

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